



Daily Report

China

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Daily Report

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15 May 1991

NOTICE TO READERS: On 6 May 1991, the DAILY REPORT will begin phasing in new radio and television sourcelines that reflect how a station identifies itself. This change eliminates the "Domestic Service" and "Television Service" designations in favor of the station identification as broadcast. The presence of a new sourceline reflects this change in policy, rather than the establishment of a new station or network.

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Secretary Baker Continues Middle East Visit

Confers With King Husayn

OW1405203991 Beijing XINHUA in English
1916 GMT 14 May 91

[Text] Amman, May 14 (XINHUA)—King Husayn of Jordan met today with U.S. Secretary of State James Baker on the U.S. plan for a peace conference for finding a solution to the Arab-Israeli conflict.

Jordanian news agency PETRA quoted the king as reiterating that Jordan is committed to and keen on finding a just and comprehensive peace in the Middle East.

Baker, who was on the third leg of his fourth Middle East tour in two months, briefed the king on the outcome of his talks with Syrian and Egyptian leaders and Soviet Foreign Minister Aleksandr Bessmertnykh.

"I believe this chance that now exists for a peace process to start ... will probably never come again," the king said at a joint press conference following the talks with Baker.

"I believe we share a total commitment to the cause of peace in this region that is long overdue," he said. The king told Baker that his country is committed to a peaceful settlement to the Arab-Israeli conflict based on international legitimacy and to ensuring a lasting and balanced solution acceptable to all parties.

But the king would not say whether he would attend an international mid-east peace conference if Syria refuses to participate.

Earlier today, a Jordanian official said Jordan backs Syria's position.

Syria insists on a U.N. role in conducting any peace parley while Israel rejects a role for the world body, arguing that the U.N. is hostile to Israel.

Syria also wants assurances that the conference would convene regularly to check on progress, but Israel wants to hold a one-time gathering before bilateral talks with separate Arab states and Palestinians.

Baker later left for Israel to continue his mission aimed at narrowing the gap between Israelis and Arabs and bringing the conflicting parties to the negotiating table.

He will meet with Israeli leaders Wednesday and Thursday in Jerusalem. He is also expected to meet with Palestinians this evening in the occupied land.

Crosses Into Israel

OW1405204691 Beijing XINHUA in English
1932 GMT 14 May 91

[Text] Cairo, May 14 (XINHUA)—U.S. Secretary of State James Baker walked across a bridge spanning the

Jordan River today en route to Jerusalem, the first by a senior U.S. official to cross into Israel from Jordan by land, Israel Radio reported.

Baker got out of his car in 95-degree (35 c) heat and crossed the rickety Allenby Bridge on foot, saying he wanted to get a feel for the geography of the Mideast conflict.

"I wanted to get a sense of the distances involved here and I have and I will I am sure as I drive to Jerusalem," the radio quoted Baker as telling reporters.

"I wanted to get the sense because I think it is very important that we do everything we can to promote peace and coexistence because the distances are very near," he added.

Baker chose a new route to Israel on his latest Middle East peace shuttle, while in the past he usually arrived by plane at Ben Gurion airport near Tel Aviv.

Israel captured the West Bank and Arab East Jerusalem from Jordan, the Gaza Strip from Egypt and the Golan Heights from Syria in the 1967 Mideast war, and refuses to relinquish these lands for peace as advocated by the Arabs.

Israel is the last leg of Baker's fourth Mideast trip in two months to arrange a peace conference which will lead to direct talks between Israel and its Arab neighbors and between Israelis and Palestinians for a settlement of the 43-year-old Arab-Israeli conflict and the Palestine issue.

Baker is expected to meet with a Palestinian delegation in the West Bank this evening before he discusses with Israeli leaders on Middle East peace Wednesday and Thursday.

He has visited Syria, Egypt and Jordan before crossing into the West Bank on his way to Jerusalem.

The Palestine Liberation Organization (PLO) has approved the meeting between the Palestinian delegation and Baker, a PLO spokesman said in Tunis today.

The spokesman said the meeting will be attended by Faysal Husseini, Zakaria al-Agha and Hanan Ashrawi.

Reportage on Pending U.S.-Soviet Summit

Bush Says No Date Set

OW1405213691 Beijing XINHUA in English
2000 GMT 14 May 91

[Text] Washington, May 14 (XINHUA)—U.S. President George Bush said today that he can't confirm that there will be a U.S.-Soviet summit in Moscow this summer.

"There's no set time. No agreement," Bush told reporters at a press conference announcing his nomination of CIA director this morning.

A Soviet presidential spokesman said last Sunday that the long delayed summit will be "definitely" held in the summer, and Bush is expected to go to Moscow to sign the Treaty on Strategic Arms Reduction (START).

Bush called Soviet President Gorbachev Sunday to discuss arms control, Middle East and economic issues as well as summit issues.

"I've made clear that I would like to go to Moscow under certain conditions and I'd like to think I will," Bush said.

The summit was previously scheduled for mid-February and then postponed to some time in the first part of this year.

As the projected time is approaching, there are many reports about the summit, with some predicting that it would be held in late June.

But, both sides noted that they still have differences over the START treaty and the implementation of a conventional arms reduction treaty signed last November in Paris.

Those two issues were referred as a reason for the summit postponement in January.

Asked if Gorbachev would be invited to the summit of seven industrial countries in London in July, Bush said that some G-7 countries have interest in this and the Soviet Union is also interested in it.

"It's important that if he (Gorbachev) go there something positive will happen," Bush said.

He said he will discuss the matter with leaders of the other six countries.

However, there are some reports suggesting that Gorbachev would be invited to London and given a chance to talk to leaders of G-7 countries but not be allowed to attend the summit as an observer when the G-7 summit is held.

Spokesman on USSR Support

OW1505021091 Beijing XINHUA in English
0155 GMT 15 May 91

[Text] Moscow, May 14 (XINHUA)—Soviet presidential Press Secretary Vitaliy Ignatenko stressed today that the Soviet Union would maintain "firm partnership with the American leadership and seek progress in all questions of the Soviet-American agenda."

President Mikhail Gorbachev still insisted that his summit meeting with American President George Bush be held this summer, Ignatenko said.

He added that a treaty on the reduction of strategic offensive weapons could be signed at the summit meeting.

President Bush supported the idea of a summer summit, Ignatenko claimed, recalling the Gorbachev-Bush telephone talk last week.

The two presidents agreed during the talk that the two countries had recorded "a considerable improvement in the bilateral relations in the recent past," and hoped for the continuation of this process.

Gorbachev and Bush also agreed over the telephone that the Chief of General Staff of the Soviet Armed Forces Mikhail Moiseyev, would visit the United States soon for discussions with American Government officials and the American military.

These discussions would concentrate on existing problems which blocked the signing of a treaty on the reduction of strategic offensive weapons, and of the treaty on the reduction of conventional weapons in Europe. These problems constituted the major obstacles for the Soviet-American summit.

Moiseyev's visit would be a success, as he was not going to the United States empty-handed, Ignatenko noted.

Li Peng To 'Spare No Efforts' To Fight Drugs

OW1405153891 Beijing XINHUA in English
1320 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Chinese Premier Li Peng said today that China will spare no efforts in the fight against drug abuse and drug trafficking.

Li made the remark during a meeting with Giorgio Giacomelli, executive director of the United Nations International Drug Control Program (UNIDCP), and U Ohn Gyaw, vice-minister of foreign affairs of Myanmar [Burma] and head of a Myanmar delegation, who are here for talks concerning co-operation in suppressing drug trafficking.

The Chinese premier voiced his delight with the comprehensive and fruitful talks among the three sides.

Shortly after New China was founded, the premier said, China eliminated drug abuse and drug trafficking and such activities did not appear in the country for over 30 years.

Unfortunately, he said "the ugly phenomena have reappeared in recently year," and pose a threat to people's health and public security, and thus go against the essential ideals of the nation.

The Chinese Government attaches great importance to the suppression of drug trafficking and drug abuse, Li said. For example, the Standing Committee of the National People's Congress has worked out a new law which provides for harsh penalties for drug traffickers. At the same time, the people are exerting great efforts to fight drug trafficking in Yunnan Province and other localities.

"We hope to achieve satisfactory results in the fight against drug trafficking and to halt drug abuse with the support from the people and by wielding state power," said Li.

Li said that China expects to enhance cooperation in this regard with the UNIDCP and relevant countries.

He stressed that the Chinese Government will never tolerate drug trafficking which transits the territories of China.

Giacomelli called China's actions against drug trafficking wise and decisive, saying the country has conducted desirable and fruitful co-operation with UNIDCP and relevant countries, including the candid exchange of information.

Giacomelli also expressed hope that the present tripartite project will serve as a new beginning for developing co-operation to suppress drug-trafficking.

After the meeting a summary concerning the tripartite talks on suppressing drug-trafficking was signed at the Great Hall of the People.

Cooperation With UN, Burma Against Drug Trade

HK1505041391 Beijing CHINA DAILY in English
15 May 91 p 1

[By staff reporter Zhang Ping]

[Text] China yesterday declared that it would co-operate with Myanmar [Burma] and the UN International Drugs Control Programme [UNIDCP] to stamp out the illegal drugs trade across the two countries' common border.

The three sides, represented by Chinese Premier Li Peng, G Giacomelli, acting chairman of UNIDCP and U Ohn Gyaw, Myanmar Vice Minister of Foreign Affairs, signed the agreement for a joint drug control operation yesterday.

Giacomelli and Ohn Gyaw arrived in Beijing last week for talks on the fight against drug trafficking.

Details of the talks with Premier Li were not given but it is known that most of refined narcotics come from Gold Triangle area of Thailand, Myanmar (formerly Burma) and Laos.

Li Peng said that the Chinese Government will not tolerate illegal drug trafficking through Chinese territory.

He said China would spare no effort in fighting against illegal drug trafficking and drug abuse.

He was glad to learn that China, Myanmar and the UN International Drug Control Programme had a broad and fruitful discussion.

He said that China had all but eradicated illegal drug use in the early days of the founding of New China in 1949.

"Unfortunately, however, in recent years this evil practice has again begun to appear in China. It is a threat to people's health and social security and is against the fundamental policy of China."

Li Peng said that the Chinese Government attached great importance to drug control and recently the National People's Congress has passed a new anti-drugs law.

China would strengthen the co-operation with the UNIDCP and other relevant countries on drug control, said Li.

Giacomelli said that the present three-side co-operation would be a starting point in the future drug control operation.

UN Delegate Calls for World Social Development

OW1405213591 Beijing XINHUA in English
2023 GMT 14 May 91

[Text] United Nations, May 14 (XINHUA)—China today called for more attention to developing countries in the U.N. effort to promote world social development.

"The United Nations should give priority to helping developing countries improve their social situation and promote social development through effective international cooperation," Chinese Delegate Du Qiwen told the U.N. Economic and Social Council this morning.

Speaking at the council's first regular session this year, which opened yesterday, Du said that as the world is becoming more and more interdependent, the deteriorating economic situation in developing countries will certainly have a negative impact on the economic development of the world as a whole and will not be conducive to world peace and stability.

He thus called on the international community "to take concrete measures immediately to help the developing countries overcome some of their most pressing difficulties, so that they can resume social and economic progress."

The Chinese delegate praised the United Nations for its efforts to promote social progress and development at the international level.

But he pointed out that social development as a whole is still a weak link in the United Nations and that the present state of affairs is not compatible with the needs of the changing situation, neither is it balanced when compared with the work in other areas of the United Nations.

He called for continued emphasis on the principle of pragmatism. Practical usefulness should become the main criterion for U.N. activities in this field and efforts must be made to avoid practices of using social development issues for political purpose and ideological propaganda or interfering in the internal affairs of other countries, he stressed.

Referring to social development in China, Du said that in the 41 years since the founding of the People's Republic, remarkable achievements have been made in economic construction and social development.

"Especially in more than a decade of reform and opening to the outside world, enthusiasm has been aroused in all spheres of life, from rural to urban areas, from coastal regions to the interior, economic construction and social development have been vigorously surging forward," he declared.

But he added that proceeding from existing conditions, the task to build a road of social development with

Chinese characteristics and to establish a corresponding system of social welfare and security is an arduous one.

Therefore, he said, China needs to absorb and draw on every useful experience of other countries.

He expressed the hope that the exchange and cooperation among countries in this field will be strengthened. The current session of the council will adjourn on May 31.

Seminar on World Structure, New World Order

HK1405125491 Beijing RENMIN RIBAO in Chinese
9 May 91 p 7

["Dispatch" by reporters Zhang Dezhen (1728 1795 4176) and Huang Qing (7806 2532): "Chinese Scholars, Experts Meet in Chengde City To Discuss World Structure, Creation of New World Order"]

[Text] A seminar on the world structure and the creation of a new world order was held in Chengde City at the end of April under the joint auspices of the World Development Research Center of the Institute of Research on Comprehensive Development and the LIAOWANG journal. More than 50 of the country's noted scholars and experts attended the meeting where they expounded their views, gave lively speeches, and conducted broad and profound discussions on questions such as the world structure and the establishment of a new world order.

On the question of world structure, the scholars maintained that the so-called world structure refers to the power distribution and interrelationship among the various forces in the world, notably among the big powers. Over the past year, the world structure underwent its greatest transformation since World War II, with the old bipolar structure falling apart, a new world structure still to be formed, and the world developing toward a multipolar direction. However, the creation of a multipolar structure will still take some time as the various principal forces have to grow, expand and contract, disintegrate and integrate. The participants of the seminar estimated that the entire 1990's will be a transition period where the old structure will be replaced by a new one, and that a more solid structure will only take shape in the early part of the next century. The scholars also have different views regarding the disintegration of the old world structure. One view held that, given that the changes in the structure took place amid the dramatic changes in East Europe and the widening gap between North and South, they would have an unfavorable effect on the socialist states and the Third World countries. At the same time, accompanying the collapse of the bipolar structure is the intensification of limited and regional contradictions and conflicts, leading to more uncertainties and upheavals in the world. An opposite view maintained that as the old structure collapses, it would be inevitable that new upheavals, conflicts and even disruptions would appear in the international situation, but that in the long run, the weakening of the forces of the superpowers and the evolution toward a multipolar world would enable the various forces to develop more

evenly. This could help the countries of the world, notably the Third World countries, shake off the control of the superpowers and the shackles of the cold war, enhance the elements that restrict wars and thus be beneficial to peace and to development.

The establishment of a new world order became the hottest topic at the seminar. Everyone maintained that the two concepts of new structure and new order are both different yet also interrelated. Along with the collapse of the old world structure, the various political forces and political groups in the world have become increasingly more concerned with the question of the establishment of a new world order. In fact, this will become the question concerning the world's future direction. As early as 1988, China had already proposed the establishment of a fair and just new international political and economic order on the basis of the five principles of peaceful coexistence. Similar appeals were also issued by some Third World countries. It should be noted that during the Gulf war, the United States also put forward a proposal for the establishment of a "new world order." The experts held that the U.S. concept regarding the establishment of a "new world order" in effect promotes western social models and value concepts such as "political pluralism," "economic privatization," and "ideological liberalization" around the world under U.S. leadership and with the principal Western countries (that is, the "rich men's club") as the nucleus. In short, this is a "new order" featuring a "unipolar world." The scholars believed that the new world order that we advocate is a new order which genuinely adapts to the two main themes and trends in the contemporary world—peace and development. Naturally, the prospects of establishing a new order is determined by the outcome of the contention among various forces.

The seminar also discussed the issue of the United States' strategic readjustment. Some scholars maintained that following the disintegration of the bipolar structure, the United States carried out a readjustment of its military strategies. That is, it shifted its focus, which was formerly aimed at the Soviet Union, to dealing specifically with major regional conflicts; its central task of the defense of Europe was shifted toward greater considerations of the contentious regions in the Third World. Some scholars aired a dissenting view on this, claiming that U.S. military readjustment cannot be said to be complete and that further observations are warranted.

Olympic Games Bidding Committee Begins Work

OW1505091991 Beijing XINHUA Domestic Service
in Chinese 1421 GMT 13 May 91

[By reporter Li Hepu (2621 6320 2528)]

[Text] Beijing, 13 May (XINHUA)—The Beijing Bidding Committee for the 2000 Olympic Games [BBCOG] held its first work meeting today.

Wu Shaozu, executive chairman of the BBCOG, reported on the progress of the Committee's recent work

to participants. He Zhenliang, vice chairman of the BBCOG and president of the Chinese Olympic Committee, gave a briefing on the bidding work of several other cities.

The meeting also studied the BBCOG's insignia and publicity slogan.

Chen Xitong, state councillor and chairman of the BBCOG, presided over the meeting today. He said: Beijing's bid to host the 2000 Olympic Games aroused strong responses at home and abroad. It has the support of the people of the entire nation and the support of Hong Kong, Macao, and Taiwan compatriots, overseas Chinese, and international friends. After the announcement of the bidding, people from all walks of life became even more enthusiastic. One after another, they sent in letters or cables to express their approval and support, raising many good suggestions on the bidding work. Chen Xitong said: The bid for the Olympic Games is both arduous and glorious. The various operating organizations of the BBCOG must step up their activities to begin work earnestly.

Wu Shaozu said: The working principle of the Committee is: "Make More Friends, Do More Work, Deepen Understanding, and Win Support." The emphasis of work is to strengthen public relations and contact and do a good job of external propaganda.

According to regulations: In July next year, the International Olympic Committee [IOC] will issue the application forms for the bidding of the Olympic Games. The closing date for filing the application is 15 April 1992. The IOC will meet in Monte Carlo in September 1993 to vote on the host city of the 2000 Olympic Games. Wu Shaozu said: Based on this timeframe, we must carry out work in three stages: 1) preparation; 2) active promotion; and 3) the final push.

While briefing on the bidding by other cities, He Zhenliang said: Apart from Beijing, cities that have officially put forward their bids for hosting the 2000 Olympic Games are Germany's Berlin, Australia's Sydney, and the UK's Manchester. Those which have expressed their intention to bid are Brazil's Brasilia, Turkey's Istanbul, and Italy's Milan. Apart from these, Argentina may also put forward its application.

At the meeting, relevant personnel displayed a huge banner with 10,000 signatures of teachers and students of the Chinese People's University who support Beijing's bid for the 2000 Olympic Games. It was learned that from the beginning of March this year when the bidding for the Olympic Games was announced, to the end of April, relevant departments received over 400 enthusiastic letters and donations from the masses supporting the bidding work.

Starting from today, the BBCOG will be officially stationed at Beijing's Huiqiao Hotel. It held a ceremony for putting up its signboard before the first work meeting today. Chen Xitong and Luo Gan, secretary general of

the State Council General Office, officiated at the placement of the plaque with the inscription "Beijing Bidding Committee for the 2000 Olympic Games."

Responsible persons of the State Council's relevant departments and committees and former world champions Li Furong, Zhang Rongfang, and Li Ning attended the meeting.

The seven operating organizations under the BBCOG—the general office, project planning group, public relations and liaison group, mass media and propaganda group, overall operation group, general affairs group, and financial planning group—are now fully operational.

Zou Jingmeng Re-elected WMO President

OW1405143891 Beijing XINHUA in English
1040 GMT 14 May 91

[Text] Geneva, May 14 (XINHUA)—Zou Jingmeng, administrator of the State Meteorological Administration of China, was unanimously re-elected here today at the ongoing eleventh World Meteorological Congress as president of the World Meteorological Organization (WMO) for another term of four years.

The WMO is a United Nations specialized agency aimed at facilitating international cooperation in meteorology and hydrology. Zou became WMO president in 1987 and his tireless efforts to promote world-wide cooperation were highly appreciated by members of the organization.

Ambassador Fan Guoxiang, China's permanent representative to the U.N. office in Geneva, extended warm congratulations to Zou on behalf of the Chinese Government. He told the World Meteorological Congress that Zou's re-election as WMO president was not only an honor for Zou himself, but also a manifestation of the trust and friendly feelings of the congress towards China and the Chinese people.

"The Chinese Government will continue to give active support to Mr. Zou, as the WMO president, in his activities to strengthen international cooperation in meteorology and hydrology, while hoping that he will make further contribution with the assistance of various other members of the organization," Ambassador Fan said.

Zou, upon his re-election, thanked members of the organization for their support and trust. He pledged that he would continue to do his utmost to "work harmoniously with all my colleagues in promoting and achieving the goals of this organization and implementing the resolutions of this congress."

Other members of the WMO leadership were also elected at the congress. WMO's governing body. J.W. Zillman of Australia, S. Alaimo of Argentina and A. Lebeau of France were elected vice presidents of the organization. The WMO secretary general, Godwin Olu Patrick Obasi of Nigeria, was re-appointed on May 10.

Zou, 62, started his meteorological career in 1945. He has been administrator of the State Meteorological Administration of China since 1982.

Zou is the first and the only Chinese official to head a U.N. specialized agency.

Li Peng Calls for Asian Cooperation in Auditing

OW1405142091 Beijing XINHUA in English
1225 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Chinese Premier Li Peng said today that auditing departments in China should enhance co-operation and exchanges with auditing organizations in other Asian countries.

Li said it is significant that such a large number of auditors gathered in Beijing for the fifth assembly and fourth international seminar of the Asian Organization of Supreme Audit Institutions, and that they adopted the Beijing declaration of guidelines on promoting effective management of public finance and investments.

The premier made the remarks during a meeting with senior auditors from more than 20 countries and international organizations, which was held at the Great Hall of the People.

This will serve to promote co-operation between countries in Asia and will deepen the friendship of the people of various countries, he added.

Li briefed the guests on the role of auditing in China and its impact on enhancing economic development and ensuring the country's continued opening and economic reform.

The Chinese Government attaches great importance to auditing, the premier said. Although China's auditing departments have a short history of only seven years, they have established a complete set of auditing organizations and auditing procedures.

As China further opens up and deepens reform, he said, the country will further enhance auditing and supervision over economic activities and public finance.

Li noted that state departments and state-owned enterprises should accept supervision and auditing, and should act in line with state policies and regulations. They should also expose and punish those who embezzle public property.

As part of the auditing procedure, he said, various departments should do a good job evaluating taxation, thereby ensuring economic activities develop in a healthy manner.

Auditing organizations have an important responsibility to ensure the smooth development of the national economy with the power entrusted by the state, he said.

Meanwhile auditors should be honest in performing their duties and set an good example for others.

M. Jusuf, chairman of the Asian Organization of Supreme Audit Institutions, said that the current international assembly, which endorsed the Beijing declaration of guidelines for promoting effective management of public finance and investment, is a success. He expressed appreciation for China's auditing work and the hard work of the Chinese hosts for the assembly.

Asian Auditors Publish 'Beijing Declaration'

OW1405203391 Beijing XINHUA in English
1428 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Asian audit officials attending the fifth assembly and fourth international seminar of the Asian Organization of Supreme Audit Institutions today announced publication of the Beijing Declaration, which calls for effective management of public finance and investments.

The declaration which was read at today's closing ceremony says the representatives at the seminar discussed the role of supreme audit institutions in improving public financial management. In addition, the seminar also dealt with issues concerning the auditing of public investments and financial institutions and insurance companies.

The assembly suggested that members of Asian organizations of supreme audit institutions under the Supreme Audit Institutions can and should play an active and influential role in promoting more effective management of public finance and investment. The assembly made the following suggestions:

- Members should encourage their respective governments, by whatever means considered appropriate, to introduce more effective financial management techniques and reporting standards.
- Members should develop the capability of their supreme audit institutions to carry out more effective and regular audits, and performance audits of public financial activities. According to the declaration, this includes investments, financing and insurance activities, with a view in mind of identifying where improvements can be made while conducting such activities.

The declaration also details the strategies, audit methodology and computer assisted audit techniques in terms of improving public and finance management. In regards to audits of financial institutions and insurance companies, the declaration deals with mandates, scope, recruitment and training.

The fifth assembly and fourth international seminar of the Asian Organization of Supreme Institutions was held May 8-14, and this was the first time China has hosted the conference since the country's national audit administration was established in 1983. Audit officials from 22 Asian member countries and a number of international organizations attended the conference.

Membership in Numbering Association Accepted

OW1505021991 Beijing XINHUA in English
0200 GMT 15 May 91

[Text] Beijing, May 15 (XINHUA)—China has been officially accepted as a member of the International Article Numbering Association, according to the State Bureau of Technical Supervision.

Li Chuntian, a spokesman for the bureau, said membership in the international organization will greatly facilitate the country's work in regards to product coding.

China will begin to formally carry out the association's regulations for coding on July 1, 1991, according to Li.

Some 4,000 varieties of China's export goods are carrying bar codes and most of them began to carry them only within the past seven months.

China had suffered enormous losses over the past years because most of its export goods, although competitive in quality and packaging, carried no bar codes. Thus the goods were not accepted by supermarkets overseas or were just priced at a discount.

The International Article Numbering Association, which was established in 1977 by 12 European countries, now has some 50 members. The purpose of the association is to initiate an international product coding system to promote the development of world trade.

The system it uses consists of a group of parallel black-and-white or colored strips, and the special code for China is 690.

The use of scanners allows for recording sales automatically, as well as providing for ease of inventory and ordering. The system will also help manufacturers to obtain direct market information.

The association reports that a number of international traders now refuse to accept articles without product coding.

At present, over 200,000 supermarkets, department stores and specialty shops are outfitted with scanning devices, and the number of such shops is growing rapidly.

As part of its development effort, China established a national product coding center in 1988 to co-ordinate and administer the work.

In 1991, China has placed the application of product coding as one of the ten key appliance related projects for the Eighth Five-Year Plan period (1991-1995).

The Beijing-based Chinese Product Coding Center has opened more than 30 offices throughout the country.

Tang Shuguo, deputy director of the center, told XINHUA that after two years of effort, over 100 Chinese export-oriented enterprises are now qualified to use the international product coding system.

During the next five years, he said, the aim of the center is to ensure that over 90 percent of China's exports are to carry bar codes on the packaging, according to the international system. The center will further promote the use of the scanning devices in new shops being built in China.

Progress in Soviet-Japanese Relations Viewed

HK1405145591 Beijing SHIJIE ZHISHI in Chinese
No 8, 16 Apr 91 pp 24-25

[Article by Yang Jiarong (2799 1367 2837) and Zhou Jihua (0719 1323 5478): "Slow, Tortuous New Process: Soviet-Japanese Relations Under Adjustment"—first paragraph is SHIJIE ZHISHI introduction]

[Text] The Soviet Union is seeking a stable peripheral environment and economic and technological aid, while Japan is ambitious to influence the reform process of the Soviet Union and interested in its resources and market. The two sides have found a point at which their respective interests can converge, therefore, the bilateral relations move into a slow and tortuous new process.

On 16 April, Soviet President Gorbachev will start his long anticipated trip to Tokyo, marking the beginning of a new stage in Soviet-Japanese relations.

Since World War II, though they restored diplomatic relations in 1956, the Soviet Union and Japan have failed to reach any peace agreement under the discouraging influence of the Cold War, which means that the two countries have not yet legally ended hostilities toward each other. This is Japan's only pending "problem left over from the war" in its postwar diplomacy and also the biggest "blank point" in the Soviet Union's foreign relations. Since the mid-1980's, the Soviet Union has readjusted its domestic and foreign policies. East-West military confrontations have gradually subsided and Soviet-U.S. and Soviet-Chinese relations have improved to different degrees. Especially into the 1990's, with the breakdown of the postwar Yalta structure, the world moved into another round of disintegration and recombination. Under such circumstances, the Soviet Union and Japan have attached more importance to relations with each other in an attempt to turn over "a new leaf" in the bilateral relations.

The Crux of the Issue

There are profound historical reasons and an international background for the long delay of normalization of bilateral relations between the Soviet Union and Japan. The main obstacle is threefold.

The first is the territorial problem, i.e. the dispute over the four northern islands, namely, Kunashiri, Etorofu, Habomai, and Shikotan between Kuril'skie Ostrova of the Soviet Union and Hokkaido of Japan. Both the Soviet Union and Japan emphasize that they are their "ancestral territories." Toward the end of World War II, in accordance with the Yalta agreement, the Soviet Union declared war against Japan on 9 August 1945 and

quickly occupied the four islands in question. After the war, Japan never stopped asking the Soviet Union to return the four northern islands. But the Soviet Union refused to do so on grounds that "the territorial problem was long ago settled through international agreement." Since the restoration of Soviet-Japanese diplomatic relations, Japan has always held to the principle that "politics and economics cannot be separated," in other words, that the following sequence should be observed in handling the bilateral relations: return of the four northern islands, conclusion of a peace agreement, and development of economic relations. But the Soviet Union has taken the reverse stand, suggesting discussion of the development of bilateral economic relations and concluding a peace agreement first, and talking about territorial problems only afterwards. This is why the territorial issue has created a long-standing wide gap between the Soviet Union and Japan.

Second is the question of security. As early as when the Soviet regime first came into being, Japan took an active part in the armed intervention by 14 Western nations against the newborn power. After World War II, though a defeated nation, Japan became an ally with the United States as a member of the Western camp. During the years of U.S.-Soviet confrontation, Japan always viewed the Soviet Union as the biggest threat and allowed the United States to set up military bases and installations on its territory against the Soviet Union. At that time, Japan's Soviet policy was in effect a reflection and extension of the United States' Soviet policy in the Far East. When Japan and the Soviet Union restored diplomatic relations in 1956, the Soviet Union agreed to return Habomai and Shikotan to Japan if a peace agreement was signed between the two countries. However, after the United States and Japan signed the "Mutual Security Treaty" in January 1960, the Soviet Union refused to return those two islands on the grounds that the U.S. forces stationed in Japan posed a threat to its security, and kept condemning the "U.S.-Japanese anti-Soviet alliance," deciding that Japan had become the "forward position" of U.S. forces in the Far East against the Soviet Union and that Japan and NATO were echoing each other and putting the Soviet Union in a two-way squeeze.

In the 1970's, when the United States was practicing Nixonism and cutting back its influence in Asia, the Soviet Union took advantage of this chance and considerably strengthened its military deployment in the Far East. It not only reinforced its ground forces there, but even expanded the strength stationed in the four islands to one division and built naval and air force bases on Kunashiri and Etorofu. Its Pacific Fleet also developed from a coastal defense naval force into a massive fleet capable of oceanic engagement. In the meantime, it strengthened its military presence in southeast Asia with Vietnam as a stronghold. Japan holds that the above military expansion of the Soviet Union not only "constitutes a threat to the security of Japan and other countries," but also seriously imperils the sea routes of

resource imports and commodity exports that Japan depends on for existence. The issue of security has become another major obstacle in the development of bilateral relations.

Third is the question of trust. For reasons past and present, the Soviet Union and Japan are wary of each other, and have formed a psychological barrier between them which is difficult to surmount. Especially because the two sides have conducted years of propaganda against each other and have restricted exchanges, both the authorities and ordinary peoples of the two sides know little about, yet carry deeply rooted prejudices toward each other, without an essential sense of neighborhood or trust. Such emotional scars and psychological rifts are other major obstacles to the development of Soviet-Japanese relations.

Readjustment of Policies

After assuming office in March 1985, Gorbachev put forward "new diplomatic thinking," which argues that the world is an "interrelated and interdependent unified whole" and that it is imperative to integrate the security of one country with that of other countries. According to this notion, the Soviet Union has paid attention to improving its relations with Asian countries. Japan in particular, in recent years, Gorbachev delivered two important speeches focusing on diplomatic relations with Asia, respectively in Vladivostok in July 1986 and in Krasnoyarsk in September 1988. Both speeches emphasized the role of Japan and expressed the wish that Soviet-Japanese relations could "embark on the path of normal development...in a dispassionate atmosphere free from the influence of past problems." Japan said that it "welcomed" and would respond to this appeal. Afterwards, both the Soviet Union and Japan made some diplomatic gestures and moves in succession and their relations gradually thawed.

On the territorial issue, the Soviet Union changed the rigid stand, expressed as "the problem is settled" and "there is no room for negotiation," which it had always held on to, and turned around saying that "Japan has the right to raise this issue and it put this on the agenda of talks." At the regular Soviet-Japanese foreign minister meeting held last September, former Soviet Foreign Minister Shevardnadze went so far as to say that "efforts can be made to define more correct borders through more reasonable negotiations."

On the issue of security, Japan changed the traditional concept of the "Soviet threat" and crossed out the statement that the Soviet military forces in the Far East pose a "latent threat" to Japan from the 1990 edition of the Defense White Paper. The Soviet Union has started to acquiesce to the Japanese-U.S. Mutual Security Treaty. A Soviet foreign minister once pointed out: In improving Soviet-Japanese relations, the Soviet Union "will not urge Japan to abandon" the obligations in the Japanese-U.S. treaty.

Meanwhile, prominent politicians, financiers, and entrepreneurs of the two countries exchange frequent visits and nongovernmental contacts have also greatly increased. When meeting Ichiro Ozawa, secretary general of the Japanese Liberal Democratic Party [LDP] on the eve of his visit to Japan, Gorbachev said: Soviet-Japanese connections have been expanding at an extraordinary pace recently, and such connections are developing at a higher political level, at the social level, and among the people. This has played a positive, constructive role in removing antagonism between them and gradually building up mutual trust.

Though the factors that deter the normalization of bilateral relations still exist, economic relations between the two countries have made progress through the joint efforts of both countries, and some delicate problems concerning fishery, science and technology, and ecology have been smoothly settled. Japan is actually no longer adhering to the principle that "politics and economics cannot be separated" and has expanded its economic exchanges and trade with the Soviet Union. The annual volume of trade between the two countries in the past three years registered around U.S.\$6 billion, reaching a record high.

Respective Intentions of the Two Sides

At present, the leaders of both the Soviet Union and Japan are emphasizing the need to explore new avenues for cooperation on the basis of "balanced expansion" or "balance of interests" and seeking a major breakthrough in bilateral relations with Gorbachev's visit to Japan on 16 April as a "turning point." The future of Soviet-Japanese relations is primarily dependent on the intentions of the two countries in adjusting their policies.

The world media believe that the Soviet Union mainly has the following three objectives in mind: (1) through improvement of Soviet-Japanese relations, obtaining Japanese funds and technology and speeding up strategic targets for developing the Far East region, to reinforce its national economic strength; (2) with Japan's cooperation, changing its image in the Asian-Pacific region and participating in the economic cooperation of this region; (3) dismantling the military and political alliances of the United States in East Asia to reduce the pressure from the east on its security.

The objectives that Japan is after are: (1) paving the way for its attempt to turn itself from an "economic power" into a "political power" with the help of the understanding and influence of the Soviet Union in the capacity of a superpower; (2) in cooperation with the United States, influencing the reform process of the Soviet Union and pushing it toward what is called "democratization" and "market economy;" (3) benefiting from the abundant resources and enormous market of the Soviet Union to prepare for the economic competition in the 21st century, in view of the fact that trade protectionism has taken ground and the tendency

toward regional grouping in the world economy has intensified since the 1980's.

To sum up, as the intentions of Japan and the Soviet Union have some points of "convergence," their relations have "remarkably warmed up." As speculated by some Japanese, Gorbachev's visit to Japan will probably lead to some progress in handling the territorial issue, the major obstacle to the normalization of Soviet-Japanese relations. The Soviet Union may hand back Habomai and Shikotan. The return of Kunashiri and Etorofu will probably be discussed after a period of transition (for example, joint investment and joint management). Meanwhile, the Soviet Union would ask Japan to provide economic aid and reduce the military presence of the United States in this region to maintain a "strategic balance" there. According to a report, the Japanese Government and the LDP have decided on a principle regarding the northern territories, that is, the Soviet Union first returns Habomai and Shikotan and acknowledges Japan's "potential sovereignty" over Kunashiri and Etorofu, followed by governmental talks held before a prescribed date. When these conditions are satisfied, Japan would offer the Soviet Union economic cooperation worth at minimum U.S.\$20 billion. If this comes true, concluding a peace agreement and achieving genuine normalization of bilateral relations is the next logical step.

However, the thawing of Soviet-Japanese relations is conditioned by the detente between the Soviet Union and the United States. If the United States, out of consideration for its strategic interests, does not want to see Japanese-Soviet relations develop too fast, or there is a setback in Soviet-U.S. relations, the improvement of Soviet-Japanese relations will be held back. Besides, the territorial issue touches the sensitive "nerves" of the Soviet Union in its foreign relations. Therefore, for fear of triggering a "chain reaction," the Soviet Union is not without worries in handling this issue.

All in all, there will be new progress in Soviet-Japanese relations, especially in the economic field. However, restrained by various factors, the relations between the two countries are unlikely to dramatically change. One can only say that Soviet-Japanese relations have embarked on a slow and tortuous new process.

United States & Canada

U.S. Plan for Middle East Arms Reduction Cited

OW1505015091 Beijing XINHUA in English
0117 GMT 15 May 91

[Text] Washington, May 14 (XINHUA)—The United States is planning to require Israel to stop nuclear weapons production in exchange for the destruction of chemical armament on the Arab side, THE NEW YORK TIMES (NYT) reported today.

Asked about the report this morning, President George Bush said that "We're in the process of working this arms control problem. And, I'm not prepared to give any details on it at all. But, there are all kinds of options out there."

Under the U.S. plan, the NYT reported, Israel will stop producing nuclear weapons while Arab nations have to give up their plan to possess nuclear weapons and agree to eliminate their stockpiles of chemical weapons.

However, Israel, which is believed to be the only Middle East nation to be capable of making nuclear armament, will not be required to destroy its existing nuclear arsenal until "a durable peace is established in the region," the paper said.

The plan also called for all Middle East nations to give up ballistic missiles with a range of more than 90 miles.

The NYT said that President Bush hopes to announce the plan in a coming speech, but the announcement has been delayed pending the return of Secretary of State James Baker from the Middle East.

Bo Yibo Attends Joint Venture Opening Ceremony

*OW1505011091 Beijing Central Television
Program One Network in Mandarin 1300 GMT
13 May 91*

[From the "Night News" program]

[Text] The Unisys-Astronautics Computer System Corporation, a hi-tech, export-oriented and industrial joint venture run by China's Ministry of Aerospace Industry and the U.S. Unisys Company, was founded in Beijing on 12 May. Bo Yibo, vice chairman of the Central Advisory Commission, attended the founding ceremony. The Unisys Company is a famous U.S. computer firm and ranks as the third largest U.S. company. The founding of this joint venture will strongly help China produce open computer system integrated products and software products which are up to international and industrial standards. [video opens with medium shots of Bo Yibo and dozens of unidentified Chinese and Caucasian guests sitting around a few round dining tables, followed by closeup shots of a few Chinese and Caucasian speakers, who are seen standing and speaking in turn; hanging above the guests from the ceiling is a long cloth scroll reading: "The Founding Ceremony of the Sino-U.S. Joint Venture Unisys-Astronautics Computer System Corporation, Ltd."]

Soviet Union

Reportage on Jiang Zemin Visit to Moscow

Notes Improving Ties

*OW1505054491 Beijing XINHUA in English
0532 GMT 15 May 91*

[Text] Beijing, May 15 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin said here today

that the Sino-Soviet relations have been developing smoothly in various fields since the relations between the two countries and the two parties were normalized two years ago.

Jiang gave the remarks at a press conference at Beijing airport this morning before he left on a five-day official visit to the Soviet Union.

Jiang said his is a return trip to the China visit by Soviet leader Mikhail Gorbachev in May 1989, and the purpose of the visit is to further the friendly good-neighborly relations between the two countries on the basis of the five principles of peaceful coexistence.

This, he said, will not only benefit the fundamental interests of the Chinese and Soviet peoples, but also be conducive to the peace, stability and development of the world.

Jiang said: "I'm looking forward to fruitful talks with President Gorbachev and conveying the warm regards and kind wishes of the Chinese people to the great Soviet people."

Asked about his feelings about returning to the Soviet Union after over 30 years, Jiang said he is pleased to have the opportunity to visit the Soviet Union after many years, adding that he believed the visit will promote the further development of the friendly relations between the two countries and the two peoples.

Jiang was an intern at an automobile factory in Moscow in the 1950s.

Responding to another question, Jiang called himself an old friend of the Soviet people, saying he expects to be well received by the Soviet people.

Expects Border Agreement

*OW1505071191 Beijing XINHUA in English
0652 GMT 15 May 91*

[Text] Beijing, May 15 (XINHUA)—China and the Soviet Union will probably sign an agreement on the eastern sector of the border during Chinese Communist Party General Secretary Jiang Zemin's visit to the Soviet Union.

Jiang made the announcement at a press conference at Beijing airport this morning, shortly before leaving for a five-day official visit to the Soviet Union.

Asked what talks he expects to have, as he would go on the visit also in the capacity of the chairman of the Central Military Commission, Jiang said since Sino-Soviet relations were normalized in May, 1989, that "undoubtedly includes the resumption of normal contacts between the armed forces of the two countries."

During the visit, Jiang said, China and the Soviet Union will "probably officially sign an agreement concerning the eastern sector of the Sino-Soviet border."

As for whether the agreement would be the same as that initialed previously, Jiang said negotiations on such a

matter involve long preparations, and so "this visit of mine will crystalize all those efforts."

Departs for 5-Day Visit

*OW1505001791 Beijing XINHUA in English
0008 GMT 15 May 91*

[Text] Beijing, May 15 (XINHUA)—General Secretary of the Chinese Communist Party (CPC) Jiang Zemin left here by special plane this morning on a five-day official visit to the Soviet Union.

Jiang, also chairman of China's Central Military Commission, is the guest of Mikhail Gorbachev, Soviet president and general secretary of the Soviet Communist Party.

He was seen off at the airport today by Chinese President Yang Shangkun, Premier Li Peng, Standing Committee member of the Political Bureau of the CPC Central Committee Qiao Shi, Vice-President Wang Zhen, and Vice-Chairman of the Central Military Commission Liu Huaqing.

Accompanying Jiang on the visit to the Soviet Union are Qin Jiwei, member of the Political Bureau of the CPC Central Committee, state councillor and defense minister; Qian Qichen, member of the CPC Central Committee, state councillor and foreign minister; Wen Jiabao, member of CPC Central Committee, alternate member of the Secretariat and director of the General Office of the CPC Central Committee; Zhu Liang, member of the CPC Central Committee and head of the International Liaison Department of the CPC Central Committee; Li Lanqing, alternate member of the CPC Central Committee and minister of foreign economic relations and trade; and Wang Weicheng, member of the CPC Central Discipline Inspection Commission and director of the Policy Research Office under the CPC Central Committee.

Before boarding the plane, Jiang Zemin gave a press conference at the airport.

Statement on Arrival

*OW1505113191 Beijing XINHUA in English
1118 GMT 15 May 91*

[Text] Moscow, May 15 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, said today that he is here "to continue pushing forward normal development of relations between the two countries and the two parties."

The Chinese party leader made the statement upon his arrival here this morning to start a five-day official visit to the Soviet Union.

Jiang said that it was his pleasure to pay an official visit to the Soviet Union and he would like to "take this opportunity to, on behalf of the Chinese people, extend his high respects to the great Soviet people as well as Moscow citizens."

Jiang Zemin said the visit to China by Soviet President and Soviet Communist Party General Secretary Mikhail Gorbachev and his high-level meetings with the Chinese leaders two years ago "put an end to the past and opened up the future" and have led to normalized relations between the two nations and the two parties.

"Since then, the two countries and the two parties have witnessed a steady progress of relationship and a constant expansion of cooperation in many fields, political, economic, trade, scientific and technological, cultural, education and military," the general secretary said.

During his stay in Moscow, Jiang said, he will have a wide-ranging exchange of views with Gorbachev on bilateral relations, the present international situation, and major world issues of common interest.

"China is willing to develop normal relations of cooperation and friendship with other nations on the basis of the five principles of peaceful coexistence," he said.

Jiang noted that China and the Soviet Union are neighbors sharing a boundary line as long as over 7,000 kilometers and the traditional friendship between their peoples goes back to ancient times. There are good prospects for a steady and healthy development of relations between the two countries, he added.

The Chinese party leader said the good-neighborly, friendly and mutually beneficial relationship of cooperation between China and the Soviet Union, based on the five principles of peaceful coexistence, will not only conform to the fundamental interests of the two peoples, but also have positive impacts on peace and stability in Asia and the world at large.

It is our belief that "the visit will further increase the mutual understanding between the leaders of the two nations and the two parties and will enhance friendship and cooperation between the two peoples," Jiang Zemin said.

Written Statement Issued

*OW1505112691 Beijing XINHUA in English
1101 GMT 15 May 91*

["Jiang Zemin Starts Official Visit to Soviet Union (By Wan Faen)"]—XINHUA headline]

[Text] Moscow, May 15 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party (CPC) Central Committee and chairman of China's Central Military Commission, arrived at the Vnukovo Airport this morning on a five-day official visit to the Soviet Union.

Jiang's trip, a return visit to Soviet president and Communist Party General Secretary Mikhail Gorbachev's visit to China in May 1989, represents a further progress in developing the good-neighborly relations between the two countries on the basis of the five principles of peaceful coexistence.

The Chinese leader was met at the airport by Soviet Vice President Gennadiy Yanayev and Soviet Communist Party Deputy General Secretary Vladimir Ivashko.

Jiang Zemin's entourage also arrived here today. They include Qin Jiwei, member of the Political Bureau of the CPC Central Committee, state councillor and defense minister; Qian Qichen, member of the CPC Central Committee, state councillor and foreign minister; Wen Jiabao, member of the CPC Central Committee, alternate member of the Secretariat of the CPC Central Committee and director of the General Office of the CPC Central Committee; Zhu Liang, member of the CPC Central Committee and head of the International Liaison Department of the CPC Central Committee; Li Lanqing, alternate member of the CPC Central Committee and minister of Foreign Economic Relations and Trade; Wang Weicheng, member of the Central Commission for Discipline Inspection of the CPC and director of the Policy Research Office of the CPC Central Committee; Li Shuzheng, alternate member of the CPC Central Committee and deputy head of the International Liaison Department of the CPC Central Committee.

A welcoming ceremony was held at the airport. With Sino-Soviet national flags flying in the spring breeze and the band playing national anthems of the two countries, Jiang Zemin reviewed the guard of honor of the Soviet Armed Forces in the company of Yanayev and Ivashko.

Chinese Ambassador to the Soviet Union Yu Hongliang, other diplomats of the Chinese Embassy here and representatives of the Chinese students studying in the country were also present to meet Jiang.

Soviet Defense Minister Dmitriy Yazov and member of the Secretariat of the Soviet Communist Party Central Committee Valetin Falin as well as other senior officials were present on the occasion.

In a written statement issued upon his arrival, the Chinese party leader said that the purpose of his visit is "to continue pushing forward normal development of relations between the two countries and the two parties."

Jiang Zemin said that he would like to "take this opportunity to, on behalf of the Chinese people, extend his high respects to the great Soviet people as well as Moscow citizens."

It is our belief that "the visit will further increase the mutual understanding between the leaders of the two nations and the two parties and will enhance friendship and cooperation between the two peoples," Jiang said.

After the ceremony, Jiang drove to the guesthouse in the Kremlin. The motorcade passed along the streets decorated with the national flags of the two nations.

Jiang Zemin will meet Gorbachev later in the day.

Editorial Views Visit

HK1505061391 Hong Kong WEN WEI PO in Chinese
15 May 91 p 2

[Editorial: "A Visit That Will Open Up the Future"]

[Text] Jiang Zemin, general secretary of the CPC Central Committee, has left Beijing today for the Soviet Union for a visit. This is in return for the visit to China of Mikhail Gorbachev, general secretary of the CPSU Central Committee, as well as being a summit meeting following the normalization of Sino-Soviet relations. Gorbachev's visit to China was one to "put an end to the past," while Jiang Zemin's visit to the Soviet Union is one to "open up the future," which indicates that the friendly and cooperative relations between the two big powers of China and the Soviet Union are sure to be promoted in a more pragmatic way.

The meeting between Deng Xiaoping and Gorbachev in April 1989 marked the beginning of normalization of Sino-Soviet relations and relations between the two parties. Over the past two years, although some improvements have been seen in the world situation and the cold war has come to an end, conflicts still exist today and the entire world is not peaceful. There have been sudden changes in the political situation of Eastern Europe; the economic sanctions imposed on China by the West have not yet been completely lifted; and the United States is making a show of its strength with its military victory in the Gulf war. Under such circumstances, Sino-Soviet relations have nevertheless been promoted in a down-to-earth manner, and the two countries have all the time carried out frequent exchanges at high levels as well as in all fields.

Both China and the Soviet Union are world powers, sharing a common border exceeding 7,000 km. Therefore, good-neighborly relations are of extreme importance to both sides. Although modern history has seen an uneven development in Sino-Soviet relations, the two countries have, since the beginning of the 1980's, adopted a more reasonable and mature attitude in dealing with bilateral relations; treasured the achievements they have already made; ensured smooth channels of mutual exchange; and practiced timely coordination whenever a problem has cropped up, thus bringing about a steady development in their bilateral relations. Since the beginning of this year in particular, the Soviet Union's deputy prime minister, deputy general secretary of the CPSU Central Committee, new foreign minister, and defense minister have respectively paid visits to China, and progress has also been made in the fourth round of Sino-Soviet border talks. Jiang Zemin's visit to the Soviet Union will undoubtedly further enhance the friendly and cooperative relations already existing between China and the Soviet Union.

Although they are both socialist powers, China and the Soviet Union differ their levels and direction of economic development. This only goes to prove that the two countries are complementary in cooperation in all fields,

which can best be exemplified by the \$700 million commodity loan China granted the Soviet Union last March. In recent years, the Soviet Union's social stability has already been impaired by its economic difficulties and scarcities of civil consumer goods. China not only supports the Soviet Union in maintaining its social stability, but also has the ability to provide Soviet markets with large quantities of consumer goods of various kinds. The decision to grant loans to the Soviet Union has made a favorable impression on the Soviet party, Government, and masses; and also served to show the Soviet Union in its adversity the true feelings of the Chinese people, as well as China's achievements in reform and opening up.

Being the first socialist country in the world, the Soviet Union used to exert a huge and direct impact on the Chinese revolution. After the founding of New China, the Soviet Union also provided assistance to China. In light of its own national conditions, China has selected its own revolutionary road and construction patterns, and gradually formed its independent foreign policy of peace, thus giving shape to a socialist road with the Chinese characteristics. This precisely serves as the foundation for a resumed development of Sino-Soviet friendly relations after following a winding course. On the other hand, since the mid-1980's, the Soviet Union has also created conditions for the resumption and development of Sino-Soviet relations by discarding its past improper practices; and respecting the sovereignty and territorial integrity of, and carrying out economic and trade cooperation with neighboring countries on a mutually beneficial basis.

Now that they are being promoted under this new situation, Sino-Soviet relations will by no means return to those of allies as in the beginning of the 1950's. This is because great changes have taken place in both the international environment and the internal conditions of each of the two countries, and the possibility of taking the road back does not exist. Moreover, as the result of the common efforts of both sides and a concrete embodiment of China's independent foreign policy of peace, the improvement and promotion of such relations are not directed against any specific third country.

In addition, due to the fact that both China and the Soviet Union are permanent member states of the United Nations Security Council and their territories stretch across the two continents of Europe and Asia, Sino-Soviet relations have a great bearing on the world situation. At a time when the old world setup has already disintegrated but a new one has not yet taken shape, the friendly cooperation between the two big powers of China and the Soviet Union is of great significance not only to those two countries, but also to the establishment of a new world political order, and to the stability of both Asia and the entire world.

Rogachev Notes Continuing Bilateral Cooperation

*OW1505054291 Beijing XINHUA Domestic Service
in Chinese 0404 GMT 15 May 91*

[Text] Moscow, 14 May (XINHUA)—“The cooperation between the Soviet Union and China in the past two years has demonstrated that both sides are faithful to the new principles governing mutual relations as established in the Sino-Soviet Joint Communiqué issued on 18 May 1989, and that both sides are prepared to continue to strictly observe these principles.”

These remarks were made by Soviet Deputy Foreign Minister Igor Rogachev to TASS reporters on 14 May.

Rogachev said: Efforts by the Soviet Union and China to develop cooperation between the two countries in the economic, trade, and science and technology fields are of major significance. The volume of commodity trade between the two sides totaled 3 billion rubles in 1990. Regional exchanges between various Soviet republics, oblasts, and cities and Chinese provinces and cities have developed vigorously. Rogachev mentioned particularly China's recent commodity loan to the Soviet Union, saying that it was “a real support [shi ji zhi yuan 1395 7139 2388 2266] from China to the Soviet Union during the difficult period” of the latter.

The deputy foreign minister reiterated: “Taiwan is an inseparable part of Chinese territory, a province of the People's Republic of China.”

Says 'Estrangement' Over

*OW1505012691 Beijing Central People's Radio
Network in Mandarin 2130 GMT 14 May 91*

[By station reporter (Wang Xiangzhong) in Moscow; from the “News and Press Review” program]

[Text] In a statement issued yesterday on General Secretary Jiang Zemin's upcoming visit to the Soviet Union, Soviet Deputy Foreign Minister Igor Rogachev pointed out: In the two years since Mikhail Gorbachev's visit to China, Sino-Soviet relations have made rapid progress [chang zu di jin zhan]. The era of estrangement between the Soviet Union and China has passed once and for all.

Speaking on the Taiwan issue, Rogachev stressed: The Soviet Union has consistently maintained that Taiwan is an inseparable part of Chinese territory.

Rogachev spoke highly of cooperation between the Soviet Union and China in the economic, trade, and science and technology fields. He pointed out: China provided a huge amount of commodity loans to the Soviet Union when the latter was going through the most complicated period. This represents true support for the Soviet Union.

Beijing Beam on Li Peng, Yazov 7 May Meeting*OW1505105291 Beijing Radio Beijing in Russian
1900 GMT 7 May 91*

[Text] Li Peng, premier of the PRC State Council, while meeting Marshal Dmitriy Yazov, minister of defense of the Soviet Union, and accompanying officials on the afternoon of 7 May in Beijing, declared that China as a friendly neighbor of the Soviet Union sincerely hopes that the Soviet Union will overcome temporary difficulties as quickly as possible and will preserve the unity and stability of the USSR.

On behalf of the government and people of China, Li Peng first warmly welcomed Yazov. He said that Yazov's visit is a major event in relations between the two armies as well as an important facet in relations between the two states. Li Peng said that relations of friendship and cooperation between China and the Soviet Union continue to develop. Jiang Zemin, general secretary of the CPC Central Committee, will visit the Soviet Union soon. Li said that the development of good neighborly and friendly relations between the two countries on the basis of the five principles of peaceful coexistence not only corresponds to the interests of the two countries and their peoples, but is also favorable to peace and stability in Asia and the whole world.

Dmitriy Yazov said that during this visit the Soviets had seen with their own eyes the constructive work and successes of the great Chinese people and their army. He expressed admiration for the fact that China had solved the question of feeding and clothing the large Chinese population.

During the visit the guest and host exchanged opinions on questions of the present international situation.

Chinese, Soviet Coal Experts Meet in Shandong*OW1505023391 Beijing XINHUA in English
0137 GMT 15 May 91*

[Text] Jinan, May 15 (XINHUA)—A seminar attended by coal experts from both China and the Soviet Union opened Monday at the Shandong Mining Institute at the foot of the famous Taishan Mountain.

The 1991 international seminar on rock mechanics, rock pressure and rock formation control was jointly sponsored by coal experts from China's Shandong Province and the Soviet Union's Siberia mining area.

More than 120 people are participating in the seminar, of whom 26 are experts, professors and general managers from the Soviet Union.

The seminar has received 49 academic papers from both China and the Soviet Union. These papers reflect the latest research results achieved in the two countries in the fields of rock mechanics, rock pressure and rock formation control.

After the four-day seminar, the Soviet experts will make on-the-spot inspections of the Yanzhou and Xinwen mining areas, which are very close to Taishan Mountain.

Northeast Asia**Jiang Zemin Sends Greetings to Mongolian Leaders***OW1505062891 Beijing XINHUA in English
0602 GMT 15 May 91*

[Text] Beijing, May 15 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee today sent a message of greetings to the Mongolian leadership on his way to Moscow for an official visit to the Soviet Union.

The message was sent to Mongolian President Punsalmaagiyn Ochirbat and Chairman of the ruling People's Revolutionary Party Central Committee Budragchaagiyn Dash-Yondon.

In his message, Jiang Zemin, who is also chairman of the Central Military Commission of the People's Republic of China, said: "As I fly over your country on my formal visit to the Union of Soviet Socialist Republics, I would like, on behalf of the Communist Party of China, the Government of China, the Chinese people and on my own behalf, to extend to you our highest regards."

"May the friendship between our two countries, two parties and two peoples continue to develop" Jiang said. "May the People's Republic of Mongolia prosper and may the Mongolian people live in happiness".

Chi Haotian Meets DPRK Army Delegation*OW1505112791 Beijing XINHUA in English
1110 GMT 15 May 91*

[Text] Beijing, May 15 (XINHUA)—General Chi Haotian, chief of general staff of the Chinese People's Liberation Army, met here today with a delegation from the People's Army of the Democratic People's Republic of Korea.

Led by Che Le Yun [name as received], senior member of the Korean-Chinese side of the Korean Military Armistice Commission, the delegation arrived here May 14 at the invitation of the Foreign Affairs Department of the Chinese National Defense Ministry.

The delegation is scheduled to tour Nanjing, Shanghai and Shenyang in addition to Beijing.

Japanese Patent Experts in Beijing for Talks*HK1505030591 Beijing CHINA DAILY in English
15 May 91 p 2*

[By staff reporter]

[Text] Chinese and Japanese patent agents yesterday started a two-day discussion in Beijing on the protection of industrial properties.

The Japanese agents will help about 150 Chinese colleagues become familiar with the development of Japan's patent system so as to facilitate future bilateral co-operation in the field, said Wang Zhengfa, vice-president of the All-China Patents Association.

The dozen Japanese specialists were sent by the Japanese Association for Patent Assistance in China which represents the interests of 38 Japanese patent agencies.

Since the Chinese patent law went into effect six years ago, China has granted more than 7,000 patent rights to foreign and overseas applicants. Of the figure, 2,548 were given to Japanese and 1,456 to Americans.

Wang said that starting this year, the Japanese planned to launch a training project for Chinese patent agents, with activities ranging from sending Japanese experts to lecture in China and accepting Chinese agents for field study in Japan.

Wang said the discussion, sponsored by his association of 4,700 agents and the Japanese patent group, was the first step of the project.

Southeast Asia & Pacific

Thai Foreign Minister Continues Visit

Li Peng Remarks

*OW1405154091 Beijing XINHUA in English
1406 GMT 14 May 91*

[Text] Beijing, May 14 (XINHUA)—Chinese Premier Li Peng said here today that Sino-Thai friendly relations are of great significance to safeguarding regional peace and stability, and promoting a political settlement of the Cambodian issue.

Li made the remarks during his meeting with Thai Foreign Minister Asa Sarasin at the Great Hall of the People.

According to Chinese sources, Li said that China has all along attached importance to the development of the Sino-Thai friendly co-operation. He added that the changes in the Thai Government will not affect the existing friendship between the two countries.

China will continue to do its best to consolidate and develop the friendship, he said.

Li also expressed his congratulations to Asa on his appointment as foreign minister, and welcomed him to China.

Asa thanked the premier and conveyed the greetings of the Thai prime minister to Li.

Asa said that the Thai Government attaches great importance to friendly relations with China, and said that his current visit, which comes soon after his appointment as foreign minister, signifies that importance. The Thai minister told Li that during his talks with Chinese

Foreign Minister Qian Qichen earlier today, the two sides shared identical views on almost all the international issues discussed.

Asa said that China's role is important in safeguarding peace and stability in the region and throughout the world as well.

Li said that China valued its relations with the ASEAN countries, adding that in light of the current turbulent international situation, the ASEAN countries have played an important role in maintaining regional peace and development.

Li and Asa exchanged views on the Cambodian issue, and the premier noted that the Cambodian war has lasted for over 10 years.

Li said since last year efforts towards a political settlement of the Cambodian issue have made great progress: The five permanent members of the U.N. Security Council held consultations resulting in framework documents concerning the issue; the co-chairmen of the Paris International Conference, and the ASEAN countries put forth great efforts towards promoting the establishment of the Cambodian National Supreme Council.

However, the process of seeking a political settlement of the Cambodian issue was hindered, he said.

The Chinese premier pointed out that it is good that the co-chairmen of the Paris International Conference have called for the convocation of the Jakarta meeting among the four parties in Cambodia.

Li expressed China's hope that the four parties will agree to the framework documents and the draft agreement, and thereby reach a consensus on a political settlement of the Cambodian issue.

Asa agreed with China's proposals and position, expressing his hope that the Jakarta meeting will bring about positive results.

The Thai minister said that Thailand is willing to talk with Vietnam and Phnom Penh, in order to add impetus for a political settlement of the Cambodian issue.

Asa said Thailand regards the role of Samdech Norodom Sihanouk as important, and therefore Thailand supports his leadership role.

Sarasin on Ties

*OW1405142291 Beijing XINHUA in English
1229 GMT 14 May 91*

[Text] Beijing, May 14 (XINHUA)—Thai Foreign Minister Asa Sarasin told a press conference here today that cooperation between Thailand and China is of great importance.

Asa Sarasin said that Thailand regards China as an important country, which plays a positive role in dealing with Asian and international issues.

Earlier today, Asa Sarasin held a two-and-half-hour talk in Beijing with Chinese Foreign Minister Qian Qichen.

At the press conference held this noon, Asa Sarasin said that in a good atmosphere, he exchanged views with his Chinese counterpart on such issues as bilateral relations, the international situation, the Cambodian issue, economic cooperation and development in Asia, and the situation on the Korean Peninsula.

He noted the two sides reached a consensus of views on all the issues discussed during the talks.

On the Cambodian issue, Asa Sarasin said that both sides support the framework documents of the five permanent members of the U.N. Security Council and the draft agreement of the Paris conference on the Cambodian issue.

Both sides held that a Jakarta meeting to be convened in coming June is very important, he said.

Asa Sarasin said both sides agreed that they would urge the four parties of Cambodia to attend the meeting, and that they sincerely hoped Vietnam and other relevant sides would support all suggestions conducive to the settlement of the Cambodian issue, so as to resolve the issue as soon as possible.

This will benefit the various parties of Cambodia, and the Cambodian people in particular.

In response to a question on Taiwan, Asa Sarasin stressed that Thailand has no political and diplomatic contacts with Taiwan and that its relations with Taiwan are confined to economic and trade links.

During the talks, he said, both Thailand and China expressed hope for increased trade and economic cooperation.

When asked to comment on the visit of Chinese Communist Party Chief Jiang Zemin to the Soviet Union, Asa Sarasin said he wished Jiang's visit a complete success.

He said that Chinese President Yang Shangkun will soon pay a visit to Thailand. The Thai people and Government are looking forward to Yang's visit, he added.

Invitation to Yang

OW1405164191 Beijing XINHUA in English
1423 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Chinese President Yang Shangkun received an official letter of invitation to visit Thailand from the king of Thailand here today.

The letter was presented to Yang by visiting Thai Foreign Minister Asa Sarasin during their meeting at the Great Hall of the People.

Asa said that the king and the Thai people attach great importance to the forthcoming visit and warmly welcome Yang to Thailand.

Yang expressed his appreciation for the king's invitation, saying that he was glad to have an opportunity to visit Thailand. Yang said he looked forward to meeting the king and hoped his visit would further strengthen the Sino-Thai friendship.

The Chinese president also spoke highly of the importance the king has attached to the development of the Sino-Thai friendly relations, saying that the Sino-Thai relations have developed smoothly.

Whatever changes have occurred in the international situation, according to Yang, the two countries have always maintained good and close ties. Such relations of friendly co-operation should be further developed and strengthened, he added.

Yang said that the ASEAN countries are neighbors of China and that China places great importance on maintaining friendly cooperations with these countries.

The Chinese president asked Asa to convey his greetings and best wishes to the king and the queen.

Asa and his party are scheduled to leave Beijing tomorrow morning for Hong Kong.

Thai Paper on Talks

BK1505110591 Bangkok SIAM RAT in Thai
15 May 91 pp 1, 16

[Text] Thai Foreign Minister Asa Sarasin has urged the Chinese to act positively to enable China to successfully negotiate and reach an agreement with Vietnam to help settle the Cambodian conflict. The minister quoted his Chinese counterpart as saying that China will consider this matter.

China supports the Cambodian resistance faction, particularly the Khmer Rouge, while Vietnam backs the Phnom Penh government.

The Thai foreign minister was on a visit to China, his first to that country after having been appointed as foreign minister following the military coup in Thailand. Asa held talks with Chinese Foreign Minister Qian Qichen. The Thai minister also paid courtesy calls on Chinese Premier Li Peng and Chinese President Yang Shangkun, who will officially visit Thailand next month.

Asa said China has shown its stance of not supporting the return to power of the Khmer Rouge, which had killed so many people during its ascendancy in Cambodia. China is pleased that the four Cambodian factions have agreed to meet in Jakarta next month in order to reach an agreement under the United Nations peace plan for Cambodia. However, no one knows what the result of the meeting would be, Asa said.

Turning to other issues, the Thai foreign minister told his Chinese counterpart that Thailand supports China's desire to play a greater role in ASEAN, and that Chinese involvement in this area is very significant.

During consultations with the Chinese foreign minister, Asa also disclosed that they discussed retaliatory trade measures the United States intends to take against their countries for violating trade mark and pharmaceutical patents. Asa described the U.S. move as "bitter justice."

The two foreign ministers also discussed the Mekong development project, sharing the view that this is for their mutual benefit.

West Europe

Assistant Foreign Minister Holds Talks in Europe

Meetings in Netherlands

OW1105053191 Beijing XINHUA Domestic Service
in Chinese 1343 GMT 9 May 91

[By XINHUA reporter Li Hubin (2621 5170 0365)]

[Text] The Hague, 9 May (XINHUA)—In his meeting with the Chinese Assistant Foreign Minister Jiang Enzhu on 8 May, Netherlands Foreign Minister Hans Van den Broek said that the prospect of developing Sino-Netherlands relations is wide ranging, and the Netherlands is working on improving and enhancing its relations with China.

Jiang Enzhu arrived in the Netherlands on 6 May for exchanges of views on political issues at the invitation of the Netherlands Foreign Ministry.

During the course of the meeting, Jiang Enzhu stated that China attaches importance to developing friendly and cooperative relationship with the Netherlands, and wish to see further improvement and progress in all spheres of bilateral relations.

Jiang Enzhu conveyed State Councillor and Foreign Minister Qian Qichen's regards and an invitation to visit China to Van den Broek. Van den Broek gladly accepted the invitation and will look for a suitable time to visit China.

The Netherlands will be the executive host country for the Ministerial Council of the European Community (EC) in the second half of this year. During the meeting, the Netherlands side briefed the Chinese side on the integration construction of the EC, particularly the progress of integrating the market within the EC, and the foreign policy of the EC. The Chinese side stated that China attaches importance to the EC's position and function in the international arena, and hope that the EC's and its member countries' relations with China will continue to improve.

Consultations in Germany

OW1405165591 Beijing XINHUA in English
1511 GMT 14 May 91

[Text] Bonn, May 13 (XINHUA)—Jiang Enzhu, assistant to the Chinese foreign minister, held friendly talks

with Dieter Kastrup, national affairs secretary of the German Foreign Ministry today in the German capital.

Jiang, who came here for political consultations with German diplomats, relayed a message from Chinese Foreign Minister Qian Qichen to German Deputy Chancellor and Foreign Minister Hans-Dietrich Genscher.

In his message, the Chinese foreign minister emphasized that his government attaches great importance to the maintenance of good Sino-German relations, and remains devoted to keeping friendly ties with the country.

Both countries have great responsibilities in international affairs, and consequently it is not only in their best interests to develop cooperation between the two countries, but also benefits world peace and stability, Qian added.

Kastrup said Germany also attaches great importance to its relations with China. Both countries have achieved important mutual understandings in various fields such as politics, economics and culture, he said.

During their meeting, Kastrup spoke highly of China's attitude and stance adopted during the recent Gulf war, and the role China plays in the United Nations.

He also said that dialogues and consultations between their two countries are very important and expressed the hope that the political consultations between the two ministries continue in the future.

Jiang Enzhu arrived here on May 9 and has had talks with Reinhard Schlagintweit, director of the political department of the German Ministry as well as other officials in the Foreign and Economic Cooperation Ministries.

Judicial Agreement Signed With Italy

OW1005172391 Beijing XINHUA in English
1538 GMT 10 May 91

[Text] Beijing, May 10 (XINHUA)—China and Italy signed here today an initial treaty on judicial assistance in civil matters, after two rounds of negotiations by their delegations.

The treaty concerns mutual assistance, the serving of documents and taking of evidence, recognition and enforcement of the court's decisions and arbitral rulings in foreign-related civil cases between the two countries, according to a Chinese Foreign Ministry official.

The treaty will help strengthen the cooperation between the judicial departments of and promote the economic and trade relations between the two countries, the official said.

Li Peng Meets UK Project Representatives

OW1005171691 Beijing XINHUA in English
1531 GMT 10 May 91

[Text] Beijing, May 10 (XINHUA)—Premier Li Peng said here today that he hopes Sino-British cooperation will further develop on the basis of mutual benefit.

Li made the remark at a meeting with British and Chinese representatives of a Sino-British cooperation project, the Xinjiang Ethylene Complex.

He said that since British Foreign Minister Douglas Hurd's visit to China last month, Sino-British relations have been on the track of normal development.

The equipment for producing 140,000 tons of ethylene for the Xinjiang Ethylene Complex will be introduced by Britain's Snamprogetti Ltd. The draft contract signing ceremony was held here this afternoon between the China National Technical Import and Export Corporation and the British Snamprogetti Ltd.

Li Peng attended the ceremony and met the Chinese and British representatives before the ceremony started.

He said that the petrochemical industry is one of China's economic development focuses. In the next 10 years, China will construct and expand a number of petrochemical projects in Xinjiang.

Li stressed that the Xinjiang complex is especially significant to the economic development of the Xinjiang Uygur Autonomous Region.

He said that Xinjiang is a region of ethnic minorities, adding that the construction of the complex reflects China's policy of common development and prosperity for all nationalities.

The Xinjiang complex, one of China's priority projects during the Eighth Five-Year Plan period, will be the biggest petrochemical complex in northwest China.

The complex is expected to produce 300,000 tons of plastics, rubber and organic chemical raw materials annually after completion.

Friendship Delegation Arrives in Austria

*OW1505111991 Beijing XINHUA in English
0634 GMT 15 May 91*

[Text] Vienna May 14 (XINHUA)—A delegation of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) arrived here tonight to start a six-day visit to Austria.

The delegation, headed by its president Han Xu, is in Austria at the invitation of the Austria-China Friendship Association.

Reports said Han Xu and his party would visit an exhibition of folk customs of Austria and China, and attend a ceremony awarding medals to Austrian citizens who had made contributions to friendship between the two countries.

Both activities would be held to celebrate the 20th anniversary of the establishment of diplomatic relations between the two countries.

In Austria, the delegation would also meet politicians and people in economic circles, tour places of historic interest and scenic beauty and sightsee in the city.

Speaking to reporters at the airport, Han Xu said his delegation hoped relations between the two countries would continue to develop.

East Europe

Romania Denies Participation in Yugoslav Violence

*OW0805025391 Beijing XINHUA in English
0109 GMT 8 May 91*

[Text] Bucharest, May 7 (XINHUA)—A statement released today by the Romanian Foreign Ministry called recent reports "groundless" that former security personnel participated in attacks on policemen in a Yugoslav village, the ROMPRES news service reported.

Earlier this week, Croatian Vice Interior Minister Slavko Degoricija accused members of Romania's former Securitate of taking part in the violence in Borovo Selo, a village in Croatia, in which 12 Croatian policemen and three civilians were killed and a number of others wounded.

The statement said Degoricija's words and an "untrue" report carried by the Yugoslav newspaper "POLITIKA" completely ran counter to the policy of friendly neighborliness between the two countries.

It said Romania will keep close contact with the Yugoslavian Government to clarify the facts.

Albanian Premier Announces New Government

*OW0905201391 Beijing XINHUA in English
1742 GMT 9 May 91*

[Text] Tirana, May 9 (XINHUA)—Albanian Premier Fatos Nano today announced the formation of a 25-member new government, which comprises the premier, a vice premier, a secretary-general, 19 ministers, and 3 commission chiefs respectively in charge of supervision and control, security, and science and technology.

The Albanian People's Assembly is expected to vote within five days on the new government and its administrative platform, Nano said. A mere simple majority is required for approval.

Some members of the provisional government (set up in February) to be replaced will retain their posts. They include Premier Nano, Vice Premier Shkelgim Cani, Foreign Minister Muhamet Kapllani, and Shane Korbeci, minister of foreign trade and foreign economic cooperation.

Zydi Pepa will succeed Gramoz Rucaj as the secretary-general, while Ndririm Karakaci will replace Kico Mustaqi as the defence minister, Nano said.

CSFR Parliamentary Delegation Departs

LD0905165391 Prague CTK in English 1519 GMT
9 May 91

[By unidentified CTK correspondent]

[Text] Beijing May 9 (CTK)—A Czechoslovak parliament delegation, made up of presidium member of the Federal Assembly (parliament) Valtr Komarek and chairman of the group of deputies for the VPN [Public Against Violence]-for Democratic Slovakia (VPN-ZDS) Roman Zelenay, left here for home today after paying a visit to China.

"All Chinese representatives assured us of China's full respect for the changes taking place in Czechoslovakia. The Chinese side showed concrete interest in the further development of cooperation with Czechoslovakia," Komarek told CTK correspondent before departure.

He mentioned the possibility of Czechoslovakia's participation in oil research in the border shelf of the China Sea and in the development of China's special economic zones. Chinese firms are also interested in the share of their capital in Czechoslovakia's economic development.

Latin America & Caribbean

CPC Delegation Departs for Cuba

OW1105084791 Beijing XINHUA in English
0813 GMT 11 May 91

[Text] Beijing, May 11 (XINHUA)—A goodwill delegation of the Communist Party of China (CPC) left here today for a visit to Cuba.

Led by Zhao Zongnai, member of the CPC Central Committee and deputy head of the Organization Department of the CPC Central Committee, the delegation has been invited by the Communist Party of Cuba.

Procurator-General Meets Cuban Attorney-General

OW1405094391 Beijing XINHUA in English
0731 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—Liu Fuzhi, procurator-general of China's Supreme People's Procuratorate, held talks with Dr. Ramon de la Cruz Ochoa, Cuban attorney-general, here today.

This is the first contact between the procuratorates of the two countries.

During the talks, the two sides briefed each other on the political and economic situation in their countries as well as their procuratorial systems.

The two sides held that since the international situation has kept changing, it is of great use for China and Cuba as well as for their procuratorial organs to enhance mutual exchange and understanding.

Dr. Ramon de la Cruz Ochoa said he hopes to have a better understanding of China's reform and open policy, the work of procuratorial departments in the special economic zones in particular, and to enhance the cooperation between the procuratorial organs of the two countries.

Jiang Zemin Meets Argentine Party Delegation

OW1305032491 Beijing XINHUA in English
0255 GMT 13 May 91

[Text] Beijing, May 13 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin met here today with a delegation from the Justicialist Party of Argentina which is led by its second vice-president Cesar Arias.

Jiang, calling Argentina an important Latin-American country with a long history, said the relations between the Argentine Justicialist Party and the Chinese Communist Party can be traced to many years ago.

The Argentine party's late leader, General Peron, had a profound friendship with China's late Chairman Mao Zedong, Jiang noted. And when Mrs. Peron visited China in 1972, late Premier Zhou Enlai met with her, he added.

Referring to the successful exchange of visits by the heads of state of the two countries last year, Jiang said he had had a friendly conversation with President Carlos Menem on a wide range of issues.

In the meeting today, Jiang expressed confidence that Arias' current visit will further the friendly relations of cooperation between the two countries and parties.

Arias said the Justicialist Party strongly desires to constantly strengthen its friendly and cooperative ties with the Chinese Communist Party.

After Jiang gave an account of the history of the Chinese Communist Party, the achievements of China's reform and opening to the outside world, and the country's development programs, Arias said he had witnessed China's great accomplishments.

Arias reaffirmed the Argentine party and government's invitation to Jiang to visit Argentina.

The Argentine group arrived in China May 10, and held talks with Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, the following day.

The group is scheduled to tour Guangzhou, Shenzhen and Shanghai in addition to Beijing.

Planning Committee Delegation Visits Mexico

OW1005070791 Beijing XINHUA in English
0147 GMT 10 May 91

[Text] Mexico City, May 9 (XINHUA)—Mexican and Chinese officials expressed today their willingness to further strengthen the economic and technical cooperation between the two countries.

Mexican Planning and Budget Secretary Ernesto Zedillo Ponce met here today with a visiting Chinese delegation headed by State Planning Committee Vice-Chairman Wang Chunzheng.

The officials said the two countries share a number of common points, such as the modernization of their economies, a continuing open and reform policy, and their fight against inflation.

Affirming that there are good prospects to expand the bilateral relations, they stressed the need to exchange views and information through exchange of visits.

Wang declared that during his stay, he had been able to get acquainted with the impressive advances achieved by Mexico in developing its economy in recent years, especially after 1988.

China is closely watching the creation of the North American common market, which groups Mexico, the United States and Canada, Wang said, adding that he is confident the free trade agreement between the three countries would not impede the establishment of commercial ties between Mexico and other nations.

Referring to the trilateral free trade agreement, Zedillo Ponce said the accord did not mean that Mexico would not develop its trade relations with other economic blocs and countries.

The Chinese delegation, which arrived here on May 5 for a five-day visit, has met with high-ranking Mexican officials of the secretariats of planning and budget, finance, the free trade negotiation group and the national solidarity program.

They have been briefed on Mexico's economic situation, the fight against inflation, the investment programs and management activities of state-owned companies, the foreign debt issue, the trilateral free trade accord, and the national solidarity program.

The Chinese delegates informed the Mexican officials about the stability of the political and economic situation in China, the country's opening to the outside world policy, the development of reforms, and the population control policy and its results.

They are scheduled to leave for Cuba on May 11.

PRC-Brazil Sci-Tech Committee Meeting Ends

*OW0905201791 Beijing XINHUA in English
1800 GMT 9 May 91*

[Text] Brasilia, May 9 (XINHUA)—The Fourth Session of the China-Brazil Mixed Committee on Scientific and Technological Cooperations ended here Wednesday.

The meeting, which started on Monday, studied and analyzed the advances in the cooperative projects planned by the committee during its previous meeting in 1989.

During the meeting, both sides expressed the hope for further cooperation in agriculture, medicine and environmental protection.

The next session is scheduled for 1993 in the Chinese capital of Beijing.

Cement Plant Agreement Signed With Peru

*OW0705185391 Beijing XINHUA in English
1735 GMT 7 May 91*

[Text] Lima, May 7 (XINHUA)—China and Peru signed an agreement today to build a cement plant in the Department of San Martin.

Under the agreement, China will invest over 5.8 million U.S. dollars in machinery and equipment and will send technicians to train local personnel for the future plant, designed to turn out 30,000 tons of cement a year.

Peru will put some 1.7 million dollars into the project, which will start in the second quarter of next year and finish two years later, according to the pact.

Peru's Acting President and First Vice President Maximo San Roman and Chinese Ambassador to Peru Dai Shiqi attended the signing ceremony.

The agreement was reached within the framework of a protocol on economic and technological cooperations signed in 1986 between the Chinese and Peruvian Governments.

Colombian Press Hails PRC World Order Stance

*OW1205061791 Beijing XINHUA in English
0504 GMT 12 May 91*

[Text] Bogota, May 11 (XINHUA)—Bogota's major daily "EL ESPECTADOR" in a signed article today praised China's current position on the new world order stated by Chinese Foreign Minister Qian Qichen.

Entitled "The New Order," the EL ESPECTADOR article commented that the policy adopted by China is more beneficial for Latin America than the imposition of a model by the IMF or by the creditors of its heavy foreign debt.

During a recent visit to Spain, Foreign Minister Qian made a speech, stating that intervention in the internal affairs of other countries must be opposed.

The statement also said the crushing of the small by the big, the oppression of the poor by the rich, and the monopoly of international affairs by one, two or several great powers must be denounced. The EL ESPECTADOR article said that current post-industrial capitalism "has not resolved the problems of the growing accumulation of capital, or of the redistribution of its products according to social justice."

Colombia's major daily newspapers have recently published the full text of Qian's speech on the new world order.

Political & Social

AFP Interviews Ruan Chongwu on Labor Reform

HK1505074191 Hong Kong AFP in English 0652 GMT
15 May 91

[Text] Beijing, May 15 (AFP)—China is rekindling an experiment aimed at ending its four-decade-old system of guaranteed lifetime employment, but results will be slow in coming, Labor Minister Ruan Chongwu has said in an interview.

Under the reform, currently being implemented on a voluntary basis by some state enterprises in Chinese cities, labor will be contracted and wages fixed according to performance, Mr Ruan told AGENCE FRANCE-PRESSE.

"If workers don't want to sign a contract, then they can hit the road. It means they're not willing to work," the 58-year-old minister added.

Mr Ruan also said the government would maintain its strict control over migration into cities to prevent urban discontent, and would instead help surplus rural workers to set up their own cottage industries.

At the same time, Mr Ruan's acknowledgement that China was experiencing isolated labor unrest contrasted with repeated assurances by Beijing that the country was stable in the wake of the Tiananmen Square crackdown.

The minister said there were about 100 strikes or work stoppages last year—some involving workers petitioning city and provincial governments. But he stressed that there were no "large-scale, organized" strikes.

"It would be unbelievable if workers didn't have complaints," he said. "For 100 per cent of the workers to be satisfied is impossible."

Most disturbances, said Mr Ruan, stemmed from dissatisfaction over wages, housing or working conditions.

However, added the Moscow-trained minister, "It isn't anything like the Soviet miners' strike. We do not have that sort of situation."

But a Western economist said the cost of preventing wide-scale unrest is high in China, where state workers are "often paid full wages to show up and do nothing but read the PEOPLE'S DAILY [RENMIN RIBAO] and sip tea."

Mr Ruan said China's biggest problem was the "iron rice bowl"—a system of cradle to grave state help that includes guaranteed employment, entrenched since the communist revolution in 1949.

Yet it cannot be changed overnight, he added.

"The sense of egalitarianism is much too intense," said the man responsible for China's 550 million strong workforce.

"There are now 140 million city workers sitting around a big pot eating a meal," Mr Ruan said. "If you simply

take away their spoons, they can't eat. We have to go slowly and settle the problem bit by bit."

The minister said the labor contract system—first introduced in 1986 but virtually abandoned in the face of stiff resistance—was being reintroduced to help breathe competition into inefficient state industry.

It is to be implemented along with a new social security system—which for the first time in China includes unemployment benefits—and reform in the wage system, Mr Ruan said.

"There should be a wage gap," Mr Ruan said. "Whoever works better, gets more; whoever works worse, gets less. That will create competition."

He said that it would take five years before the government issued an order making labor contracts mandatory. Currently, any factory that wishes can take part on a voluntary basis.

Mr Ruan, who warned last month that there could be up to 210 million surplus workers in the countryside by the end of the century, said the government was addressing the problem with urgency.

Tens of millions of peasants flood into Chinese cities each year seeking work. Most are unsuccessful and return home in a few weeks.

"China will absolutely not allow rural population to swamp the cities," Mr Ruan insisted.

"Think about it, if 80 percent of one billion people crowd into areas supporting 20 percent of the population, it would be unbearable."

Instead, he said, the government would place the surplus workers through the nation's 9,700 employment agencies, give them financial aid or loans to set up cottage industries, or let them find work in the countryside on their own.

"We hope the peasants stay put and develop their own towns," he said.

That is beginning to happen, according to a Chinese sociologist.

"A new upsurge of urbanized rural areas is rising in China, and that is the inevitable outcome of the development of rural industry," the sociologist said.

Statistics show rural industry supports more than 93 million people.

Central planners here allowed the sector to bear the brunt of an austerity program launched in 1988, but relaxed it after jobless peasants started turning up on their doorsteps.

Mr Ruan said China hoped to keep unemployment under 3.5 percent in the next five years, even though

children born during the 1970s baby boom were now entering the labor market at a rate of 11 million a year.

Joblessness now stands at 2.6 percent, but the figure does not include the countryside.

Security Tight in Tibet; Media Visits Scrapped

HK1505022191 Hong Kong SOUTH CHINA
MORNING POST in English 15 May 91 p 13

[By Chris Yeung]

[Text] Authorities in Tibet have scrapped plans to invite Hong Kong and overseas journalists to attend next week's 40th anniversary celebrations of the military takeover of the autonomous region.

The All-China Journalists' Association in Beijing has been told that plans to organise press trips to Tibet to coincide with the celebrations have been called off.

An association official said the main reason for the move was a lack of manpower and other resources to handle all the media requests.

But he admitted only a handful of foreign journalists had been allowed in during the past few months.

Sources said China was fearful of a resurgence of unrest in the Himalayan region as the 40th anniversary, on Thursday of next week, draws near.

Heavy security has been mounted in the capital, Lhasa, in the past few months, they said.

The city is reported to be tense despite a publicity blitz portraying Tibet as stable, prosperous and peaceful under the central Government's reform policies.

An NCNA [NEW CHINA NEWS AGENCY—XINHUA] dispatch yesterday said more than 120 Chinese and overseas reporters had gone to Tibet for a closer look at the "roof of the world" in the first four months of this year.

It said Tibet had become the focus of the Chinese press as the 40th anniversary drew near.

Leading news organisations in China had given substantial publicity to Tibetan history and to the "remarkable achievements" of the past 40 years, it said.

The Central People's Broadcasting Station and China Central Television, as well as leading Chinese newspapers and magazines—including the PEOPLE'S DAILY [RENMIN RIBAO] and the weekly magazine, OUTLOOK [LIAOWANG]—had sent groups of reporters to Tibet.

An official from the Tibet Autonomous Region reported that it had played host to foreign reporters including representatives of Mexico's UNO MAS UNO, Senegal's LE SOLEIL, EUROPE NEWS from France, and CHINA PRESS from the United States.

A local Tibetan press official said schedules had been worked out for almost 100 journalists from 20 mainland news organisations wanting to cover next week's anniversary.

In a separate article, the NCNA rejected claims made by some Tibetans overseas that Tibetans should decide their own future.

Any attempt to allow self-determination where Tibet was concerned would not only hinder unity among China's different nationalities, but also jeopardise China's sovereignty and territorial integrity, it warned.

Curfew Rumors Denied

HK1505044891 Hong Kong AFP in English 0424 GMT
15 May 91

[Text] Beijing, May 15 (AFP)—China on Wednesday denied a statement by exiled nationalists that Lhasa would be under curfew during the 40th anniversary of China's occupation of Tibet.

"This information is pure rumor-mongering," a spokeswoman for the Tibetan regional government said by telephone from Lhasa.

The Dalai Lama's office in New Delhi said last week that to prevent protests, the Chinese authorities would put the Tibetan capital under a virtual 24-hour curfew for six days starting May 20.

The office of the Dalai Lama, Tibet's spiritual leader, quoted an unnamed source in Lhasa as saying people would be allowed to shop for only two hours in the morning with ration cards.

It added that security was being tightened before celebrations of what China calls the "peaceful liberation of Tibet" by its military on May 23, 1951.

The Dalai Lama fled to India after a failed March 1959 uprising against Chinese control of Tibet. He has been living in India in self-exile since then along with 100,000 other Tibetans.

China claims Tibet has been part of its territory since the 13th century.

Paper Reviews Dalai Lama's Human Rights Record

OW1505114791 Beijing XINHUA Domestic Service
in Chinese 0333 GMT 15 May 91

["Full Text" of 15 May RENMIN RIBAO article by Bu Wen (0592 0795): "Dalai Lama's Human Rights Record"]

[Text] Beijing, 15 May (XINHUA)—The Dalai Lama is currently traveling here and there making high-sounding remarks about human rights, "love and sympathy," "nonviolence," and sanctimoniously calling for the restoration of the "human rights" of the Tibetan people. The Dalai Lama is head of Lamaism as well as a Nobel Prize laureate. People naturally believe that under the

Dalai Lama's rule, the people in Tibet must have enjoyed the greatest freedom and happiness, as well as the fullest human rights. With this in mind, this author referenced many documents and archives. The following is a small portion of the voluminous human rights records in Tibet under the Dalai Lama's rule.

A copy of the contract for trading human beings reads:

"Here is a girl named La-ba, daughter of Suo-na-pu-chi, who is a subject of the Nai-qiong Lamasery's Zha-cang. After her mother died, the girl was raised by Ai-ding-ba. The chief butler of the Great Lama of the Nai-qiong Lamasery has paid Ai-ding-ba 12 Zhang-ga of silver as a maintenance fee. This girl is hereby transferred to Cha-ba Chong-dui-ba and a contract is established for additional payment of labor charges, which states that from now on, Cha-ba Chong-dui-ba should unconditionally pay the full amount of internal and external labor charges, and should be ready to accept any assignments of living Buddha officials. That girl shall also provide her full service. You people may think about and decide whether to marry off this girl in future. However, the subordinative relationship of this girl's children will still be kept in the registry of the Nai-qiong Lamasery's Zha-cang. This rule should not be violated. All crafty acts are forbidden. Once uncovered, the perpetrators shall be severely punished, regardless of who they are.

Contractor: The Chong-dui Family

La-ba (fingerprint)

Guarantor: Jie-bu (fingerprint)

Contract established on the 10th day of the second month of the Fire Dragon Year of the Tibetan Calendar"

It should be noted that 95 percent of the Tibetan people in Tibet at that time were possessions of their masters from generation to generation. They were called "subjects." "Cha-ba" was one type of subject. These people tilled the land for their masters without pay and performed all kinds of hard labor. The masters of the subjects were called "manors" made up of the priests of lamaseries, government officials, and the nobilities, who accounted for five percent of Tibet's population.

Human beings could also be exchanged. The following is the full text of a contract for manors to exchange their subjects:

"A person named Ou-zhu, son of the steward of the hall for worshipping Buddha, who is a subject of the Ri-qu Lamasery, and a person named Dan-zhen-wang-jie, son of Zhe-jia Jiang-yang-wang-jie, who is a subject of Ben-jia-xiong, have been exchanged according to an agreement between the lamasery and the benefactor. From now on, all the children of the aforementioned Ou-zhu will regard Ben-jia-xiong as their manor, and all children of Dan-zhen-wang-jie will regard Ri-qu Lamasery as their manor. This has been agreed upon by both parties. This contract is hereby established to ensure that neither party shall make revisions or dispute this agreement. Two copies of this contract are made to serve as evidence.

Shen-ri-si-ku (seal)

Ri-qu-ji-suo (public seal)

Contract established on the first day of the sixth month of the Water Tiger Year of the Tibetan calendar."

People could be given away to pay back debts. The following are two covenants of giving away people to repay debts.

Covenant one:

Covenant of the subject Ciwang Raodengs on giving away their daughter and their youngest son to repay debts

"The Ciwang Raodengs, subjects of the Duosong manor, because of their inability to pay back a large amount of silver and grain owed to Naidong Dekang, were obliged to give their daughter Gensong Dundan and their youngest son Baima Danzeng to Dekang for repayment of the debts. The offspring of Gensong Dundan and Baima Danzeng will all be subjects of Dekang."

Covenant two:

Covenant of Zhaxi Quda on letting his younger sister Ciren Lamu work for Larang without pay for ten years to repay debts

Because of his inability to pay back forty ke (about 520 kilograms—XINHUA note) of grain to Larang, Zhaxi Quda of the Nari manor agreed, as repayment, to let his younger sister Ciren Lamu to work for Larang without pay for 10 years. The covenant stipulated: "Even if a slight violation of the covenant is found, local laws and decrees will see that Zhaxi Qudas take responsibility."

There were also laws during the Dalai Lama's rule prior to 1959. The laws, which had been enforced for over 300 years, were the so-called "13-article code" and the "16-article code." According to a person's birth and social positions, the two codes stipulated that "people are divided into three classes, namely upper superior, middle, and lower inferior classes; and each class is further divided into three grades." The king, living Buddhas, and aristocrats belonged to the "upper superior class;" businessmen, office workers, and pasture owners were in the "middle class;" blacksmiths, butchers, and women belonged to the "lower inferior class." The price of a member of each class was also different. The codes stipulated: "As people are divided into classes and grades, there are also differences in the price of a member of each class and grade." According to the stipulation of these two codes, the "price of life" of a member of the "upper superior class" was "invaluable," and "whose corpse is as valuable as that of gold." The "price of life" of a member of the "upper middle class" was "between 300 and 400 taels of silver" (or gold); whereas the "price of life" of a blacksmith, butcher, woman, who were classified as a member of the "lower inferior class," was worth only "a rope of straw." "Compensation for killing of a blacksmith or a butcher is a

rope of straw." (see article seven of the "13-article code" on the "law on price of killing people").

To maintain the system of "three classes and nine grades," the two laws provided severe punishments for those who offended superiors. According to the stipulation of article three of the "13-article code: "Inferiors who disputed with their superiors were subject to arrest;" the eighth article stipulated: "there are differences in who inflicts injury to whom: an ordinary person who injures an official will have his hands or feet cut off, depending on the severity of injury; a master who has unintentionally injured his servant will not be punished so long as he treats his servant's injury. Meanwhile, a master who beats and injures his servant are free from giving compensation." The fourth article on the law of "severe physical punishments" of the "13-article code" even stipulated the physical punishments as: removing one's eyes; cutting off one's feet, tongue, and hands; pushing one to death from a cliff; drowning; and execution."

In the old Tibet, not only all levels of governments held courts and ran prisons, big monasteries, manor owners, or tribal chiefs could also handle cases. Among the files, there is a signed order of the Dalai to local officials in which he reiterated the following: Zhebang Monastery has the right to handle various cases of litigation, give sentences, and punishments. Therefore, various kinds of physical punishments were very common in old Tibet. Among the files are many photos taken in the 1950's, when the Dalai Lama ruled Tibet. One photo shows a serf by the name of Buba whose eyes were gouged out by a manor owner; another shows a shepherd called Beimu Hongzhen whose right hand was cut off by a manor owner because he stole a small sack of barley; still another shows Tuituo, a shepherd from Anduo county, whose foot was cut off by a tribal chief; there is also a photo showing shepherd Bude whose eyes were gouged out. Today, we can still see many horrifying instruments of torture.

Among the files are things that could send cold shivers down one's spine. The following are some original letters:

Letter one:

"To chief of Renao:

To recite scriptures to mark the birthday of the Dalai Lama, all members of the lower house will perform a ceremony of reciting the scripture of Fennu Shiwu Shishi Huizhe Fa [1825 1829 0577 0063 2457 7380 0932 6686 3127]. For the success of this Buddhist ceremony, it is necessary to make sacrificial offerings on that same day and urgently needs a set of dripping intestines, two heads, blood of all kinds, and a complete human skin. They must be sent here immediately.

[signed] Susiji Shaoxiapakong

Letter two:

To Rege:

As we want to conduct the Buddhist ceremony of offering sacrificial food to goddesses, we require the following: four heads; ten sets of intestines; clean blood; impure blood; soil from ruins; widows' menstrual blood; blood of lepers; meat, hearts, and blood of all kinds; water from the land of Yin; earth swept by whirlwind; thorny undergrowth that grows toward northern direction; dog dung; human feces; and boots of butchers. They must be forwarded to Ciqu kang on 20th of this month.

Ciqu kang [site]

19th [date]"

Enough is enough. All the above historical files are the most authentic records of the human rights enjoyed by the Tibetan people under the rule of the Dalai Lama.

There are now no more "manor owners" and "subjects." People can no longer be treated as personal property; they can no longer be bought or sold, negotiable, exchanged, and be given away for repaying debts. People are no longer divided into three classes and nine grades. Blacksmiths, butchers, and women are no longer worth no more than a rope of straw. They have, according to the Constitution, become the working class who lead the country and women have become equals of men, "propping up half the skies." There are no more private courts run by monasteries, manor owners, and tribal chiefs who gouge people's eyes out, cut their feet, hands, and tongues. There is no one now who dares to ask for human heads, skins, intestines, and blood. What kind of human rights, then, is the Dalai Lama, who was of the "most superior class" and the biggest manor owner in Tibet, seeking to restore to the Tibetan people?

Nobel Prize for Dalai Lama 'Obviously Wrong'

OW1505055691 Beijing XINHUA in English
0534 GMT 15 May 91

["Awarding Nobel Peace Prize to Dalai Lama Wrong (Tibet's Today and Yesterday Backgrounder" XINHUA headline)]

[Text] Beijing, May 15 (XINHUA)—The decision taken by the Norwegian Nobel Committee to award the 1989 Nobel Prize to the Dalai Lama had a strong political slant and was obviously wrong.

Reacting to the decision, a Chinese Foreign Ministry spokesman pointed out on October 7, 1989: "This is an open support to the activities of the Dalai Lama and Tibetan separatists for undermining the national unity and splitting the motherland. It represents a gross interference in China's internal affairs and seriously hurts the feelings of the Chinese people. We express our utmost regret and indignation over this."

The decision, added the spokesman, deviated from the committee's purpose of awarding the prize to those who have done their best for and made the greatest contribution to the "harmony and goodwill among nationalities."

"Judge people by their deeds, not just by their words," a Chinese saying goes. The Dalai Lama has declared repeatedly that he favours "non-violence." The historical facts, however, speak otherwise.

In 1959, as is well known, the Tibetan upper-strata reactionary clique staged an armed rebellion in Tibet. Under the signboard of nationality and religion, they resisted the social reforms, obstructed the emancipation of the Tibetan people, and attempted to split the motherland by counting on foreign forces.

The rioters robbed jewelry, valuable figures of Buddha, Buddhist instruments and other treasures from monasteries, killed Tibetan cadres, and plundered residents' properties. The Tibetan masses bitterly detested the rebellion, which brought great sufferings to them.

After the failure of the abortive rebellion, the self-exiled Tibetan splittists did not stop their separatist activities abroad. In 1960, with some foreign support, they reorganized the "religion-protecting army." Later on they formed a so-called "Special Frontier Army," which consisted mainly of self-exiled Tibetans, and still maintains some 10,000 people now. They dispatched small gangs of armed ruffians and agents to intrude into Tibetan border areas, harassing, sabotaging, severely threatening and harming the lives and property of local Tibetans and disturbing public order. They had also trained one group after another of agents and key members to engage in violence. They slipped into Tibet to scout, sabotage, incite defection and organize underground reactionary organizations.

The grave disturbances, instigated by a handful of separatists in Lhasa, the capital of the Tibet Autonomous Region, since September 1987, were violations of the law, aimed at splitting the motherland.

The rioters severely disrupted the daily life of the city's residents by smashing, sabotaging, looting, burning and killing. Their violence caused enormous losses to the people's lives and property.

The government of the Tibet Autonomous Region has conclusive evidence that the exiled Tibetan separatists not only supported the unrest financially, but sent people to plot, instigate and organize them directly. How can one say all these were "non-violent" means?

Facing this violent terrorism, the Dalai Lama can hardly lay the blame on someone else. So giving the Nobel Peace Prize to the Dalai Lama went contrary to its purpose, and carried no glad tidings to the peace-loving people of the world.

Tibet Separatists Misinterpret Self-Determination

OW1405090391 Beijing XINHUA in English
0653 GMT 14 May 91

["'Tibetan People's Right to Self-Determination' a Separatists' View in Disguise (Tibet's Today and Yesterday Backgrounder)" —XINHUA headline]

[Text] Beijing, May 14 (XINHUA)—The so-called "Tibetan People's Right to Self-Determination," an idea suggested by some self-exiled Tibetan separatists abroad, completely misinterprets the principle of "self-determination" as defined in U.N. documents on human rights.

People's right to self-determination, a major conception on human rights which developed after World War Two, refers to the right of the oppressed nations and people to cast off the rule of imperialism and colonialism and to fight for independence.

The declaration in the granting of independence to colonial countries and peoples, adopted by the U.N. General Assembly in December 1960, condemns colonialist domination and exploitation as violating fundamental human rights and the U.N. Charter and blocking world peace and progress. It urges that all forms of colonialism be immediately removed without any conditions, and the oppressed countries and peoples be given rights to freely decide their own political status and develop their own economies, societies and culture.

In order to prevent the principle of self-determination from being willfully misinterpreted, the declaration explains that it applies only to colonies, dependencies, the trust territories, non-self-governing territories and other territories which have not won independence.

The declaration stresses that any attempts aiming to disrupt a nation's unity and break its territorial integrity go against the goals and principles of the U.N. Charter.

Tibet is historically an inalienable part of China's territory. In the mid-13th century, Tibet became an administrative division directly under the central government of the Yuan Dynasty. Since then, the central governments have been effectively exercising sovereignty over it for 700 years.

In 1951, the central people's government and the local government of Tibet reached agreement for the peaceful liberation of Tibet.

Nevertheless, such a totally internal affair and a concrete reflection of the Chinese Government's exercise of sovereignty over Tibet is taken as China's aggression against Tibet by some people, who also claim that the Tibetans should exercise their autonomous rights without the domination of foreign countries. Obviously, these people attempt to transform a "matter intrinsically belonging to a country's internal jurisdiction" into an issue discussed within the range of international law and change a domestic issue into one involving the relationship between countries.

This is to deceive international opinion. It must be asked, when did China lose its sovereignty over Tibet and what government across the world has ever recognized Tibet as an independent state? If the answers are negative, then what reasons do they have to apply the principle of self-determination to China's internal affairs?

China is a unified multi-national country. History and reality determine that China must solve its national problems within the scope of its sovereignty. After the Opium War in 1840, the imperialists invaded China's eastern coastal areas and Tibet in the West. China was gradually reduced to a semi-colonial and semi-feudal society. For a hundred years, the contradiction between the Chinese people and the aggressive forces of imperialism and colonialism dominated the country. People of all nationalities shared a common fate in fighting against imperialism and colonialism and for emancipating their own country.

The establishment of New China in 1949 and the peaceful liberation of Tibet realize the reunification of the mainland. This is a great victory that Chinese people including Tibetans won in a protracted struggle against the aggression and oppression of imperialists and colonialists, and in safeguarding state sovereignty and territorial integrity.

Since New China was founded, the government has carried out the system of regional national autonomy to guarantee equal rights among its various nationalities. The system suits China's real situation and has been fully accepted by the people throughout the country.

Some people attempt to apply the principle of self-determination to the national issues and relationship in China today. They not only hinder the consolidation and development of equality, fraternity and mutual help among all nationalities in China but also jeopardize China's sovereignty and territorial integrity.

The separatists' view of the "Tibetan people's right to self-determination" which tries to bring about the separation of Tibet from China is inevitably opposed by the people of all nationalities although it is disguised in modern political terminology.

Policy of Religious Freedom in Tibet Stressed

HK1405060191 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 2 May 91 p 2

[Article by Xiao Jia (5618 0502): "Freedom of Religious Belief in Tibet"]

[Text] Respect for and protection of the Tibetan people's right to religious worship is the basic policy of the Chinese Government with regard to the Tibetan Buddhist religion.

In the Early 1950s, Chairman Mao Zedong Said: When Looking at the Problems of Tibet, the Two Issues of Nationality and Religion Should Be Thought of First

At the time of the PRC's founding, the "CPPCC [Chinese People's Political Consultative Conference] Common Program," which was equivalent to a provisional constitution, was adopted on 29 September 1949, with Article 53 of Chapter Six on ethnic policy providing for the following: "All minority nationalities have the freedom to promote their own languages and writing, to preserve and modify their customs and habits, as well as freedom of religious belief."

On 23 May 1951, the central people's government and the Tibetan local government signed a "17-Article Agreement" on the peaceful liberation of Tibet, and Article 7 of the agreement explicitly provided that "the policy of freedom of religious belief as stipulated in the CPPCC Common Program will be pursued in Tibet, the Tibetan people's religious beliefs, customs and habits will be respected, and the lamas' temples and monasteries will be protected. The income of the temples and monasteries will not be altered by the central authorities." Listening to a report on the negotiations on the afternoon of the signing of the agreement, Chairman Mao Zedong of the central people's government told the personnel who were to enter Tibet: "When looking at the problems of Tibet, the two issues of nationality and religion should be thought of first. All work should be carried out cautiously and steadily."

When the preparatory committee for the autonomous region of Tibet was set up in April 1956, Marshal Chen Yi, vice premier of the State Council, led a central delegation to attend the celebration activities in Lhasa. While in Lhasa, the central delegation had broad contacts with people from all factions in Tibet and made gift offerings at the temples and monasteries, where they also had vegetarian meals with the monks. In June that same year, the religious affairs commission of the preparatory committee for the autonomous region of Tibet was set up. In October, the Tibet branch of the Buddhist Association of China was established. All kinds of Buddhist activities were carried out regularly, respected, and given protection.

After the peaceful liberation of Tibet, the PLA [People's Liberation Army] and work personnel who entered Tibet strictly abided by and implemented the policy on religion, respected and protected the Tibetan people's freedom of religious belief, and respected and protected the unique features of the worship and religious traditions of all Tibetan Buddhist sects. In the 1950s, when the annual great prayer session was held in Lhasa, a delegation from the central people's government and responsible persons from the CPC working committee on Tibet would attend the session and give donations to all the monks taking part in the prayer session as a sign of respect and concern.

The state policy on freedom of religious belief, the strict implementation of the policy, and the observance of discipline and respect for the Tibetan people's customs and habits by the PLA and work personnel in Tibet won the accolades of the monks and ordinary people of Tibet. They praised the PLA soldiers and the work personnel as "Buddha's soldiers" and "new Han people."

Carry Out Democratic Reform, Respect and Uphold the Tibetan People's Freedom of Religious Belief

According to the principles of the "17-Article Agreement" on the peaceful liberation of Tibet, the resolution of the problems in Tibet should follow two steps: The first step was to drive out the imperialist forces in Tibet

and realize the unification of the continental motherland; the second step was to introduce democratic reform and abolish the feudal slavery system. The agreement provided that the social system of Tibet had to be reformed, but the timetable for the reform had to be considered and determined by the Tibetan people and by leading personalities with contacts with the people. In 1959, the reactionary clique of Tibet's upper class launched an armed rebellion to split the motherland, resist reforms and betray the people. Under these circumstances, and based on the strong demands of the Tibetan people for reforms as well as on the degree of consciousness among upper class patriots, the central government made a prompt decision to quell the rebellion and carry out democratic reform. Under Tibet's feudal slavery system, in which politics and religion were integrated, what was the exact state of the religion? What did the democratic reform of temples and monasteries hope to accomplish? How should reforms be carried out? Some foreign friends have maintained that the democratic reform of the temples and monasteries would undermine the Tibetan people's freedom of religious belief. This is a great misunderstanding.

Before democratic reform was introduced, Tibet was a feudal slave society in which "politics and religion were integrated." The former Tibetan local government was a joint dictatorship controlled by the secular landlords and the feudal lords of temples and monasteries. The monks occupied a higher position than secular officials in the local government. Some big temples and monasteries enjoyed different kinds of special political privileges. They could directly appoint officials. Some major temples and monasteries could even exercise judicial powers and the local government could not interfere with judges appointed to deal exclusively with cases involving monks. The temples and monasteries also represented one of the "three principal feudal lords" in Tibet, namely: Officials, temples and the nobility. According to statistics, in June 1959, real arable land in Tibet before the democratic reform amounted to 3.3 million ke [0344] (one ke is equivalent to 1 acre). Of this, 1.2244 million ke, or 36.8 percent, was occupied by the temples and by upper class monks. The three principal temples in Lhasa (namely, the Zebang Temple, the Shela Temple and the Gandan Temple) possessed a total of 321 manors, 147,000 ke of land, 261 pastures, 110,000 head of livestock and 40,000 serfs. They exploited and enslaved the people by collecting exorbitant rents, making loans at usurious rates, and extorting forced contributions. Before 1959, monks and nuns in Tibet numbered 110,000, making up more than one-tenth of the total population, including roughly 4,000 upper class monks who held real economic power, while the remaining 95 percent were impoverished. The temples and monasteries also were ruled strictly hierarchically, with the great majority of monks subject to slavery and exploitation. The upper class monks enjoyed all kinds of special privileges, with those of some big temples and monasteries allowed to take a direct part in the local government and to share political power with the secular nobility in the Tibetan local government. The majority of

monks and ordinary people in Tibet were subject to onerous political oppression, economic exploitation and spiritual enslavement.

Extremely cautious steps and methods were adopted in the democratic reform of the temples and monasteries. The "three oppositions" (opposition to rebellion, to slavery and to feudal privileges) and "three accounts" (settling of accounts on political persecution, on class oppression and on economic exploitation) movements were carried out in the temples and monasteries. A policy of peaceful reform was implemented with regard to temples and monasteries which were patriotic and law-abiding and did not participate in the rebellion, and means of production under their possession were bought according to a buy-back policy in which the people's government purchased their surplus means of production, including land, livestock and farm tools, for distribution free among the poor slaves and serfs for free. These policies were formulated based on existing conditions and were welcomed by people of all social stratas, foremost of whom were the poor slaves, monks and nuns, and it also won the understanding and cooperation of most upper class people from religious circles. They then played a positive role in the smooth progress of the democratic reform in the temples and monasteries.

Following the democratic reform of temples and monasteries, the social system "integrating politics and religion" was dissolved. The feudal privileges of temples and monasteries also were abolished, including private courts, prisons, punishments, interference in civil litigation and in culture and education. The surplus means of production belonging to the temples and monasteries were distributed among the serfs and slaves, while the feudal, oppressive and exploitative system of usurious loans and forced labor as practiced by temples and monasteries was abolished, as well. The feudal administrative system in temples and monasteries also was nullified, including the inequality among the religious sects, feudal classes, and the hierarchical relationship among different temples and monasteries. The principles of patriotism, obedience to the law and the separation of politics and religion were upheld in the course of the democratic reform. The Tibetan people now enjoy genuine freedom of religious belief, the people have the freedom to become lamas, while the lamas too have the freedom to return to the secular world. All religious sects are treated equally. A democratic administrative system was established in the temples and monasteries and, through democratic elections, the monks and the ordinary people are able to set up democratic administrative commissions or teams to manage their own religious affairs and conduct Buddhist activities. Since the democratic reform, the monks and ordinary people of Tibet have truly enjoyed the freedom to live and of religious belief, and the basic human rights of the great majority of people, including the impoverished lamas, have been realized and given protection.

Protect the Right to Religious Belief and Safeguard National Unity

Needless to say, the policy on religion in Tibet, as elsewhere in the country, was undermined during the "Great Cultural Revolution" (1966-76). Once this catastrophe was over, the CPC and the Chinese Government gradually corrected the mistakes and carried out various policies, including the policy on the freedom of religious belief. At present, more than 1,400 temples, monasteries and religious venues have been repaired and reopened in Tibet, while a total of 34,000 monks and nuns are lodged in these temples. This has fundamentally satisfied the demand for regular worship by religious and secular people. In the last decade, the state has allocated 43 million yuan for the repair of temples and monasteries. Since the start of 1989, it again has decided to allot 40 million yuan for massive repairs to the Potala Palace. On 28 January 1989, the 10th Panchen Lama passed away. On 30 January, the State Council announced: The State will allocate funds for the construction of a memorial tower and tomb for the deceased Panchen Lama; the search for and determination of the reincarnation of the 10th Panchen Lama is to be administered by the Panchen Lama's Zashelunpu Temple democratic administrative commission, if necessary assisted by the Buddhist Association of China and its Tibet branch. In June 1990, the State Council approved the construction of the 10th Panchen Lama's memorial tower and tomb inside Tibet's Zashelunbu Temple. The religious faithful were pleased and happy about this.

Traditional religious festivals in Tibet also were revived. The great prayer session of Lhasa was terminated at the start of the "Cultural Revolution" in 1966. It was revived in 1986 at the request of the religious faithful. However, in 1988 and 1989, near the end of the great prayer session, a handful of splittist elements instigated violent premeditated riots in an attempt to split the motherland. Their conduct not only violated the law, but also the religious teachings of Tibetan Buddhism, as well as the interests and aspirations of the religious and secular people of Tibet. A small number of criminal elements who took part in the riots were punished according to the law by the judicial organs of the autonomous region of Tibet. A number of monks and nuns were also punished because they had violated the law, not because of their religious beliefs.

The government has always respected the patriotic personalities in the Tibetan religious circles. Political consultation and cooperation under the leadership of the CPC has basically evolved into a system. The patriotic personalities in the Tibetan religious circles who have worked with the CPC for a long time have made important contributions to safeguarding the country's unity and in building Tibet. At present, 615 noted patriotic personalities from Tibet's religious circles have been elected delegates to all levels of people's congresses, as CPPCC members, and as executive council members of the Buddhist Association of China. They have played a positive role in the construction of new Tibet. The unique and traditional Tibetan Buddhist practice

involving the reincarnation of the living Buddha is respected by the government. The Tibet branch of the Buddhist Association of China was revived and seven sub-branches founded in seven localities and cities. The people's government of the autonomous region also set up a commission on ethnic and religious affairs.

Buddhist education and research also was resumed in Tibet. A Buddhist Institute was opened with famous living Buddhas and Buddhist scholars serving as teachers of Buddhist classics and religious history. Buddhist scripture classes were set up in all major temples and monasteries, and several fairly large-scale activities involving readings and discussions of the scriptures are held every year. The Tibetan Buddhist Association launched the Tibetan-language journal TIBET FOJIAO [TIBETAN BUDDHISM], which published exclusively articles on the study of Buddhism and on the history of the temples and monasteries. Some major temples also have published their own scriptures with the approval of the government. The great volumes of scriptures and writings at the Potala Palace have been sorted out, with the valuable "Danzhuer [0030 3796 1422]," considered one of the eight treasures, presently being recopied by calligraphers.

The religious faithful in Tibet are free to display Buddhist statues, set up Buddhist altars and recite Buddhist prayers in their homes. They are also free to go to temples and monasteries, where they can burn joss sticks, pray to the gods, make offerings, give donations and lead a religious life.

Ministries To Boost Cross-Strait Exchanges

HK0905013391 Hong Kong HONGKONG STANDARD in English 9 May 91 p 6

[By Cary Huang]

[Text] Beijing ministries are setting up individual offices to handle an expected escalation in exchanges with Taiwan.

The moves follow a central leadership decision to make Taiwan's reunification with the mainland a major political task in the 1990's.

Five ministries contacted by THE HONGKONG STANDARD this week confirmed they had made preparations to boost exchanges across the strait by setting up offices and appointing special officials for the work.

A spokesman from the Ministry of Communications said a Taiwan affairs office with department status had been set up in the ministry late last year and a department-level official had been appointed director of the office.

Li Jian, who is responsible for liaison matters, said exchanges in trade, communications and mail with Taipei would be welcomed.

"We welcome any suggestions from Taiwan to boost exchanges and cooperation in the field of communications industry, though we are still working out our plans and agenda," he said.

Mr. Li said most of the major ministries under the State Council had set up or were about to set up offices to deal with increasing businesses across the strait.

"Most major ministries under the State Council have set up an office or department to deal with Taiwan affairs and at least one vice-minister level official has been assigned to take charge of the business," he said.

The Ministry of Foreign Economic Relations and Trade is believed to be running a large department to handle a boom in cross-strait trade.

The office responsible for Taiwan affairs in the Ministry of Posts and Telecommunications is under the Department of Research and Policies.

An official from the department confirmed the existence of the office.

An official from the State Commission of Science and Technology confirmed there was an office responsible for Taiwan affairs in his ministry.

In some ministries which have no special departments or offices to handle Taiwan affairs, the work was being taken care of by other units.

In the Ministry of Aerospace Industry, Taiwan matters are being handled by the department for international cooperation.

A ministry official said any external business including Taiwan affairs was under the jurisdiction of the department.

Jiangxi Commitment to Family Planning Noted

HK1205033991 Beijing RENMIN RIBAO in Chinese
3 May 91 p 1

["Dispatch" by XINHUA correspondents Yang Jian (2799 0256) and Yu Qingchu (0151 3237 2806): "Jiangxi Province Moves To Control Population Growth"]

[Text] Nanchang, 2 May (RENMIN RIBAO)—The fact that township and town enterprises must increase their output and population growth must decrease suggests to us the relationship of a numerator and denominator. Only by developing the economy and expanding the "numerator," in particular expanding township and town enterprises, a "numerator" with the greatest potential; and at the same time reducing the "denominator" of population growth, can we obtain the ideal "quotient" of being at a comparatively well-off level. Such was the view of the deputies at a meeting of prefectural, city, and county party committee secretaries in Jiangxi.

Jiangxi township and town enterprises were able to maintain stable development amidst improvement and rectification, though they had problems of low input, substandard materials, and poor efficiency. Jiangxi's population accounts for 3.3 percent of the country's total, whereas its township and town enterprise output value was only 1.5 percent of the national amount.

Meanwhile, its population has been growing exceedingly fast, with an annual average increase of 560,000 between 1982 and 1990 and a 16.1 per-thousand annual average natural growth rate. Economic growth from township and town enterprise development was offset by rapid population growth. In 1990, taking only the province's farming populations in the calculation, per capita possession of township and town enterprise output value amounted to only 512 yuan, only about half the national average. Population growth has become the greatest constraint on Jiangxi's economic development.

Population growth control has become an extremely urgent matter. To effectively control population growth, the Jiangxi provincial party committee and government demanded that leaderships at various levels come up with a new family planning concept aimed at upgrading family planning work from the departmental level to become a basic task for party committees at various levels, from temporary and ad hoc work to constant rural grass-roots work; and expanding it from simple family planning work to a social project coordinated by all sides. At the meeting, special commissioners, mayors, and the governor signed a letter of commitment to the responsibility for family planning. The provincial authorities stressed that party and government heads and deputies unable to complete, within their tenures, the committed population control targets, will not get merit records, recommendations, or promotions. It is the "overriding veto vote": Localities or units not capable of completing population control targets will, without exemption, be excluded from the economic work and overall work performance evaluation; those resorting to fraud and trickery will be severely handled.

Science & Technology

Shanghai Develops Advanced Laser Device

HK1205050991 Beijing RENMIN RIBAO in Chinese
3 May 91 p 3

["Dispatch" by reporter Xiao Guangen (5618 7070 2704): "China's Laser Device Produces World-Class Results"]

[Text] A high-powered laser physical experimental device—"Laser 12," which is nicknamed "Magic Light" [shen guang 4377 0342]—has been operating in full capacity for three years, and has achieved a series of experiment results that attained the top level in the world. The device won the state's first-class award for scientific and technological progress in 1990.

The "Magic Light" device was developed by the Chinese Academy of Sciences' Shanghai Institute of Optics and Fine Mechanics. It is now the largest high-powered laser device made of rubidium glass. Such a device is rare in the world.

The "Magic Light" is composed of a laser generating system, a target system, a gauging and diagnosing system, and a laboratory environmental engineering system. The device can focus a high-powered laser through its lens on a

0.1-millimeter spot or create a very slim laser beam to hit the target made of special materials, thus giving out a temperature as high as over 10 million degrees Celsius and pressure as high as over 10 million times the normal atmosphere in a fraction of a second, and forming plasma in high density. This can be used in the research of thermonuclear fusion, X-ray lasers, high-pressure blast waves, and many other important physical issues. The gross laser power generated by "Magic Light" reaches the 1-billion-kilowatt class, and the high precision target system can meet the needs in the experiments of many different types of targets, such as the 0.1-millimeter microglobal, the black hole, the tiered, and various X-ray targets. The device also has a multiple laser targeting function which can generate a single-beam, double-beam, or a compound-beam laser.

When the device was subjected to national assessment, the experts held that "the device's comprehensive technical property attains the advanced level of similar devices in the world," and "the device indicates that our country has successfully ranked among the few countries which possess such comprehensive research and development capacity in the field of high-powered lasers."

The first task after the assessment was to ensure the device's stable operation. The Shanghai Institute of Optics and Fine Mechanics and the China Research Institute of Engineering Physics jointly set up a transdepartmental "High-Powered Laser Physics Laboratory" and organized the research personnel to carry out 10 items of technical transformation over the device's four major systems and to conduct comprehensive maintenance. This effectively raised the device's stability and reliability in operation. The device's main technical functions all exceeded the designed standards in operation, and reached the all-time best conditions. At the same time, a new high-quality focusing system was successfully developed and added to the device in light of the new requirements of the physical experiments, thus expanding the device's functions.

Through the research personnel's solid efforts, the "Magic Light" has been turned from a research result into a practical device with advanced properties, and the device can now be used for high-level physics experiments. It provides a fine condition for basic research.

In the last three years, "Magic Light" has always operated at full capacity, and has shot more than 2,500 beams with an annual average of more than 800 beams. Such a high utilization rate can completely match the same type of devices in the world's advanced laboratories.

After the device was formally put into operation, it was opened to many scientific research institutes throughout the country, and a series of physics experiment results attaining the advanced international level were achieved. The China Research Institute of Engineering Physics applied the device to a series of systematic experiments on inertial constrained fusion. The experiments not only resulted in the obvious contraction of the deuterium-tritium target pills and high neutron output by means of direct driving, but also explored the regularity of a series of physical processes through indirect

driving. In particular, high radiance temperature and neutron output were achieved inside the black-hole targets. The experiment constituted a significant milestone in the attainment of advanced international levels. In addition, the "Magic Light's" unique evenly focused laser system was also used to generate blast waves with superb plain surface at a tiered target. While this was used to gauge the high-pressure formula for various materials, the precision was higher than that of similar devices in the world.

In the research of X-ray lasers, which is an advanced research area in the world, the researchers achieved five beams of soft X-ray laser output from a material called "leinaizhe" [7352 6036 7926], and reached the advanced international level. On the basis of this experiment, they adopted the creative technique of "double target linkage" to amplify the X-ray laser through two targets, and achieved a result several million times the original one, thus recording the then most advanced result in the world.

The Shanghai Institute of Optics and Fine Mechanics researchers also applied "Magic Light" to experiments on compound X-ray lasers, and achieved eye-catching world-level results. They achieved a new four-beam X-ray spectrum from a material called "leiligui" [7352 9465 8944] with a wave length of less than 100 atommeters. The experiment was useful to the advances in the research of short wave length X-ray lasers.

The successful development of "Magic Light" was a milestone in the development of our country's laser technology. "Magic Light's" laser power reaches 1 billion kilowatts. Such a powerful device is indispensable at the crucial stage of development in all countries.

Military

Xing Chongzhi Visits Air Defense Project

SK0605043991 Shijiazhuang Hebei People's Radio Network in Mandarin 2200 GMT 4 May 91

[Text] Provincial leading comrades, including Xing Chongzhi, Yang Zejiang, Guo Zhi and Li Wenshan, visited the underground civil air defense projects in the capital on the afternoon of 4 May. This was part of the activities for civil air defense week which began on 30 April.

During the Seventh Five-Year Plan period, our province made great efforts to develop and utilize the underground air defense facilities of the province in line with the principle of combining peacetime needs with wartime preparedness and achieved notable economic and social benefits. At the provincial headquarters, the provincial leading comrades attentively listened to a report given by a responsible comrade of the pertinent department and watched video films on our province's development and utilization of underground civil air defense facilities over the past years.

The provincial leading comrades also visited with great interest the underground civil air defense facilities of the [words indistinct] plant in Shijiazhuang City, and the

(Juyuan) and the Shijiazhuang underground shopping centers. They asked in detail about the plans for developing and utilizing underground civil air defense projects wherever they went, and encouraged people to make unremitting efforts to develop, manage, and take advantage of civil air defense facilities, and make greater contributions to serving economic construction and making people's life easier.

Guangdong Delegation Visits Troops on Spratlys

HK1405062991 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 12 May 91

[Text] After successfully winding up a trip to the Nansha [Spratly] Archipelago to convey greetings and appreciation to the troops stationed there, our provincial support-the-army delegation returned to Zhanjiang today.

Since 3 May, the delegation has visited six reefs, comprising (Yongshu), (Huayang), (Dongmen), (Nangua), (Nanxun), and (Zhubi), to convey greetings and appreciation to the officers and men stationed there.

The delegation and its accompanying literature and art workers also held a get-together with the officers and men there.

The comrades from six units, including Danan Street [as heard] of Guangzhou City, Guangzhou Paper Mill, Foshan City Electronic Industry Corporation, and others, also respectively exchanged with the officers and men stationed on the six reefs their feelings and experiences in building spiritual civilization in cooperation with the troops as well as their views on further deepening work in this regard.

Former Anhui Political Commissar Zhang Dies

OW0305080591 Beijing XINHUA Domestic Service in Chinese 0206 GMT 3 May 91

[Text] Hefei, 3 May (XINHUA)—Comrade Zhang Chunsen, former fourth political commissar of the Anhui Military District and second political commissar of Anhui Production and Construction Corps, died of illness on 13 February at the age of 84.

Comrade Zhang Chunsen was of Hubei origin. He joined the peasant red guard army in 1929, and China's workers' and peasants' red army in 1930. He was admitted to the Communist Party of China in 1931. He had served as squad leader, political instructor, political teacher, political commissar of the communist youth league, commander of the military subdistrict, political commissar of division, and deputy political commissar of the army. He was conferred the military rank of lieutenant general in 1955.

Air Force Progresses in Building Grass Roots

OW1405222891 Beijing XINHUA Domestic Service in Chinese 0700 GMT 13 May 91

[By XINHUA reporter Sun Maoqing (1327 5399 1987) and RENMIN RIBAO reporter Guo Jia (6753 0857)]

[Text] Beijing, 13 May (XINHUA)—The Air Force has thoroughly carried out the guidelines set in the "Outlines of Military Grass-Roots Building" and by an all-army meeting on the building of grass-roots party branches, and as a result, has made marked progress in grass-roots building.

In recent years, party committees and organs at all levels of the Air Force have attached great importance to and strengthened grass-roots building. Following the instructions of the Central Military Commission and the general departments of the People's Liberation Army, the Air Force has laid out 1987-1989 major goals and measures for grass-roots building, promulgated outlines of political education for flying personnel, and issued the "Decision on Some Problems Concerning Strengthening the Building of Flying Personnel" and "Decision on Strengthening the Building of a Ground Crew". Recently, it issued another decision: the "Decision on Strengthening the Building of Companies in Frontier and Remote Areas and Areas With Harsh Conditions." With the common efforts made by units at various levels, the Air Force has achieved notable results in grass-roots building. 1. The Air Force personnel's political consciousness has notably improved, enabling the Air Force to maintain a high degree of stability, centralization, and unity. The masses of air force commanders and fighters have fought with resolve the influence of various erroneous and decadent thoughts, stood rigorous tests, and resolutely kept closely in line with the party Central Committee, ideologically, politically, and in action. 2. The Air Force has considerably raised its technological level and improved its combating skills, and it has set the ever best flying safety record. The Air Army has overfulfilled its flying training targets for several years in a row; the number of its four-weather [si zhong qi xiang 0934 4429 3049 6272] pilots now account for 66 percent of its total pilots, 19 percent more than in 1985. Under relatively difficult conditions, the rate of serious flying accidents in every 10,000 hours [wan shi lu 8001 2514 3764] has dropped by a big margin. Especially in the past year and more, it has continued to maintain flying safety for 135 and 205 days, which had never been seen before in the history of the Air Force. The ground force also achieved good results in its combat skills and technical training and in live-ammunition target practice. 3. Building the Air Force's party branches has been strengthened, and they have better served as a fighting force. Currently, the ability of the vast majority of grass-roots party branches to solve their own problems and assume full leadership over their companies' development has been further enhanced. Two thirds of the party branches have met the grass-roots building requirements set by the "Outlines." 4. The quality of grass-roots cadres has improved, and these cadres have become more committed to developing their careers at the grass-roots level. According to statistics, 42.3 percent of the responsible cadres of Air Force

battalions, companies, and platoons have received education at or above the college level, and 61.1 percent of them have received academic training, respectively 21.1 percent and 15.9 percent more than 1986. These responsible cadres have given prime consideration to their revolutionary careers and have led their troops successfully to accomplish various tasks assigned to them. 5. Conditions of the material and cultural life of grass-roots personnel have improved. The Air Force has renovated the housing of 812 flying groups, maintenance squadrons, and other ground companies. All units have taken 10 percent out of their annual income from production for developing their cultural facilities. Currently, all divisions, brigades, and regiments of the Air Force have built their own cultural centers, all organic companies have been equipped with color televisions, most grass-roots units have been provided with video cassette recorders, and many grass-roots units have established well-equipped clubs. 6. In the new situation, air force units have strived to learn from Lei Feng and to stand out in performing their tasks. As a result, encouraging changes have taken place in the mental outlook of air force cadres and fighters. Since 1987, titles of honor have been conferred on seven grass-roots units and 10 individuals by the Central Military Commission and the Air Force. In the near future, the Air Force will confer titles of honor on another three grass-roots units and four individuals.

Domestic Aircraft Widely Used by Air Force

HK1005161591 Beijing ZHONGGUO XINWEN SHE in English 1505 GMT 10 May 91

["China-Developed Fighter Planes Become Backbone of Air Force—by Zhu Daqiang"]

[Text] Beijing, May 10 (CNS)—The supersonic A-5 jet plane, designed and developed solely by China, has become one of the basic types of aircraft in the Chinese Air Force, according to the chief designer of the plane in the Ministry of Aero-Space Industry, Mr. Lu Xiaopeng.

The A-5 plane has been developed into a series of models and is considered one of the world's advanced fighter planes.

Following innovations and modifications, several models of the A-5 have been developed to suit China's military needs. The naval air unit is equipped with torpedo attack planes to deal with small and medium-sized enemy vessels, while the air force will utilize special fighter planes. The modified A-5 fighter with an extended range has also been produced.

China has imported some new types of foreign weapons because of its rather backward electron firing equipment [as received]. A successful design of catapult and electrical circuit have been well adopted for use in the A-5. The introduction of an advanced navigation-attack system has also upgraded the combat capability of the plane.

Mass production and deployment of the A-5 by the army has been going on for more than 20 years. This type of plane has played an important role in China's defence and with the

development of the aero-space industry, Mr. Lu said, China will have a new generation of fighter planes.

Beijing Military Stresses Party Education

HK1105055591 Beijing RENMIN RIBAO in Chinese 7 May 91 p 3

[Report by Li Quanmao (2621 0356 5399) and Luo Tongsong (5012 0681 2646): "Beijing Military Region Carries Out Education in Party's Absolute Leadership"]

[Text] Beijing Military Region has carried out since mid March an extensive education on party's absolute leadership over the army.

Beijing Military Region discovered through investigations that because of their lack of experience, some officers and men in grass-roots units fail to have a profound understanding of our party and army's glorious tradition to uphold the party's absolute leadership over the army. Therefore, the military region decided to guide these officers and men to further understand, love, trust, and be loyal to the party; and establish a firm concept of the party's absolute leadership over the army.

In order to carry out this education in a down-to-earth and effective way, the party committee and political organs of the military region gave guidance at the beginning of this year to the Beijing and Tianjing Garrisons, and various provincial military districts and group armies on how to conduct experiments at selected units. Leading comrades of the military region including Commander Wang Chengbin and Political Commissar Zhang Gong also gave instructions in some pilot units.

On the basis of experience gained by pilot units, all troops under the military region have carried out this education in the following two aspects:

1. Through organizing lectures, tutorials, and visits to exhibitions of modern history, and histories of the party and the army; through inviting former senior officers, veteran workers, and old peasants to talk about their personal experience in standing up and being master of their fate under the party's leadership; and through arranging such activities as poem recitals and performances entitled "The Party Is in My Heart," as well as knowledge contests of "Obtaining a Correct Understanding of the Party," all troops have successfully guided their officers and men to acquaint themselves with the party's glorious history and magnificent contributions, as well as the great achievements the people of the entire country have scored under the party's leadership since the founding of New China, especially since the Third Plenary Session of the 11th CPC Central Committee; and helped them to get a clear understanding that the party is the most advanced organization which represents the fundamental interests of the people, and serves the people wholeheartedly.

2. In order to educate officers and men to translate into action the enhancement of the party's concept and to

become loyal guards to the party, all troops have organized officers and men to study the histories of the army and the Chinese revolution to let them understand that the development process of our army which has grown out of nothing, from small to large, and from victory to victory is a history in which the army advances wave upon wave and fights heroically under the party's absolute leadership for the purpose of fulfilling the party's goals and tasks.

The education under experiment has helped officers and men further enhance their concept of upholding the party's absolute leadership over the army, giving rise to an exciting atmosphere in which one vies with the other in reading the party's literature, showing concern over the building of the party, and vigorously approaching party organizations.

In a regiment, all its 1,300 copies of books and periodicals kept in the club on the building of the party and the army have been lent out, and 389 comrades have submitted their applications to join the party. Some officers in a battalion said: "We should listen to and follow the party, and unswervingly obey the command of the party Central Committee and the Central Military Commission at any time and under any circumstances." Soldiers of the Second Company under a certain unit expressed their determination to accomplish the goal to become politically and military qualified, and highly disciplined soldiers with a fine work style and guaranteed strength to set at ease the mind of the party Central Committee and the Central Military Commission. They have shown an enthusiasm rarely seen for many years in military training as the result of translating their political consciousness of safeguarding the party Central Committee into assiduous action in the training.

Beijing Military Region has spread experience gained in experiments to the entire military region, and by now all troops have carried out this education in an extensive way.

Economic & Agricultural

Ma Zhongcheng Addresses Forum on Joint Ventures

OW1405164891 Beijing XINHUA in English
1453 GMT 14 May 91

[Text] Beijing, May 14 (XINHUA)—China's rural enterprises, which are operated mainly by farmers, have introduced new technology and advanced facilities from advanced countries over the past five years to improve product quality.

Vice-Minister of Agriculture Ma Zhongcheng told participants in a national conference today that over 7,000 joint ventures had been established between China's township and village enterprises and foreign enterprises by the end of 1990. According to Ma the joint ventures required a total investment of over 3.4 billion U.S. dollars.

The vice minister said that in the past China's 18 million township and village enterprises were labor intensive and had only crude production facilities.

In the recent years, however, the enterprises, especially those in the coastal provinces of Guangdong, Fujian, Jiangsu, Zhejiang, have advanced from crude processing to precision processing as the result of overseas investments.

Generally speaking, he said, the joint ventures have imported advanced equipment and technology, and this trend has helped to improve the quality of other related enterprises.

Ma said that many products produced by the township and village enterprises, such as electrical appliances, have sold well in many provinces because of their good quality. In addition, many new products developed by these enterprises have filled gaps in the domestic market.

Economic Indicators Show Poor Results

HK1105081991 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0953 GMT 3 May 91

[Report: "Low Economic Efficiency Remains Main Problem in China's Economy at Present"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 3 May (ZHONGGUO TONGXUN SHE)—The eight major economic indicators in the first quarter of 1991 published jointly by the State Statistical Bureau, the State Planning Commission, the Finance Ministry, and the People's Bank of China showed that demand and industrial production in China had obviously rebounded, but the industrial productivity and economic efficiency remained unsatisfactory. The proportion of enterprises operating in the red continued to expand; the amount of losses continued to increase; the quantity of stockpiled products in factories continued to rise; the rate of return on sales and the rate of return on funds in industrial production fell to the lowest level in the last several years.

According to the published statistical data, the all-member labor productivity of the all-people-owned industrial enterprises that conduct independent business accounting grew by 7.4 percent over the same period of last year, but the costs of comparable industrial products also grew by 4.7 percent, and higher product costs were recorded in all the 30 provinces, municipalities, and autonomous regions. The industrial rate of return on sales declined, and the state-owned industrial enterprises only attained a rate of 12.4 percent on this item in the first quarter of this year, a decrease of 1.4 percentage points from the same period of last year. The industrial rate of return on funds was merely 10.73 percent, which also marked the lowest level in the last several years.

According to the analysis of the State Statistical Bureau, the subjective reason for the poor economic results lay in the backward state of enterprise management, while the objective reasons included the following factors: First, the prices

of energy and raw materials, as well as the freight rate, were raised successively, and this drove up the production costs while the price adjustments for some finished products were restrained by the factor of market sales. Second, some stockpiled products were dumped at low prices, and profits were affected correspondingly. Third, the lopsided price structure caused business losses to the whole coal, oil, and tobacco industries. Fourth, as the state stopped giving export subsidies, some foreign trade enterprises could not adapt themselves to the new situation for a time. Fifth, some old industrial bases could not maintain their development momentum, and their products lacked competitive power.

The major economic indicators published by the state economic management institutions also showed that the continuing decline in economic results appeared under a situation in which social demand rebounded at a quicker pace. In the first quarter of this year, investment in fixed assets made by all-people-owned units increased by 10.3 percent; wages increased by 16.6 percent; although the size of loans was slightly smaller than that in the same period of last year when funds were injected in large amounts, the outstanding balance at the end of March was still 12.9 billion yuan higher than that at the beginning of this year. This showed that the main problem in the mainland economic operation at present was no longer the demand shortage, but the continuing decline in the economic efficiency.

Labor Service Exports Increase

HK0405075891 Hong Kong ZHONGGUO TONGXUN
SHE in English 0535 GMT 4 May 91

["Feature: Export of China's Labour Service Picking Up—by Cai Feng"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, May 4 (HKCNA)—The development of labour service export is an important component of China's open-door policy.

With one-fifth of the world's population, China is rich in labour resources, enabling it to develop an international labour market. During the decade ending 1989, China saw a rapid development in foreign contractual labour and labour service export. Some 10,000 foreign contractual project contracts and labour service cooperation were signed, all with a contracted value of US\$12.8 billion and a total of 360,000 workers sent abroad.

Further progress was made in this field in 1990, with 3,600 labour service contracts signed with foreign countries. The total contract value was US\$2.5 billion with a business volume of US\$1.7 billion, respective rises of 13 percent and one per cent over the previous year. Some 54,000 workers were sent to 129 countries and regions, two percent up from the previous year. China's foreign labour service cooperation developed further last year in spite of the serious impact of the Gulf war.

The Middle East was the region where China started its international contractual labour business and labour

service export, while it was also the key market where China scored some achievements. China's labour service contract volume with countries in the Middle East accounted for one-tenth of the total foreign-related labour service contracts with fruitful cooperation over a wide scope.

The annual trade volume of contractual projects and labour service cooperation between China and the Gulf countries was nearly US\$2 billion. Before the eruption of the Gulf crisis, nearly 1,000 labour service contracts had already been signed with a contract value of US\$2.7 billion. Of this contract value, over US\$500 million came from Kuwait alone, while US\$1.9 billion derived from Iraq. China has sent some tens of thousands of labourers to these two countries. China's labour service and contractual labour business suffered a direct loss estimated at US\$1.2 billion as a result of the just-ended Gulf crisis. China is determined to return to the Middle East labour service market by taking part in the rehabilitation of Kuwait and Iraq after the Gulf war.

Apart from direct negotiations regarding contractual projects with Kuwait and Iraq, China's departments in charge of labour service export and relevant companies are striving hard to negotiate with companies in the United States and Britain to enter the Gulf's labour service market by means of developing various types of international cooperation such as undertaking general contracts, sub-contracts and offering a labour force.

In the past, China mainly exported a simple labour service; now it will pay more attention to the export of complex technical labour service, with the aim of gradually adapting itself to the international multi-level labour service which has been forming with the export of middle and high-level intellectual labour service as its major component.

China's labour service export will gradually switch to Hong Kong and Macao, countries in Southeast Asia and South Asia as well as the Soviet Union. There are so far 40 companies in China having labour service cooperation with the Soviet Union with 350 labour service and contract projects signed totalling US\$900 million. Over 40,000 Chinese workers are now working in the Soviet Union.

Rural Export-Oriented Enterprises Develop

OW1505021291 Beijing XINHUA in English
0139 GMT 15 May 91

[Text] Beijing, May 15 (XINHUA)—China's rural enterprises have become noticeable export producers in recent years.

As of 1990, the number of township- or village-run enterprises engaged in export production amounted to 56,700, employing 4.6 million workers. There were 22 enterprises each with an annual export value exceeding 10 million U.S. dollars.

Some rural enterprises in the coastal areas have formed enterprise groups or export-oriented processing centers.

In the first quarter of this year, the rural enterprises across China produced more than 9.5 billion yuan-worth of goods for export, up by 38 percent over the corresponding period last year.

Of the export, the amount of manufactured and finely processed goods has increased by a large margin. For instance, high-grade household electric appliances produced by rural enterprises accounted for 20 percent of the country's total exports of such products in 1990.

According to recent national statistics, China's rural enterprises have used 3.4 billion U.S. dollars of foreign loans to upgrade existing equipment and technology.

Upgrading of Rural Industry Stressed

HK1505031591 Beijing CHINA DAILY in English
15 May 91 p 2

[By staff reporter Wu Yunhe]

[Text] Rural industrial leaders across the country gathered in Beijing yesterday for a five-day national conference which will consider the prospects for a rapid and healthy growth of a rural export-oriented economy.

A senior foreign trade official opened the meeting with a call that all rural industrial enterprises must put quality of their exports "before anything else."

Li Lanqing, minister of Foreign Economic Relations and Trade, said "the rural industrial enterprises, whose export earnings accounted for 24 per cent of the country's total last year, must build up a strong sense of quality, and this is of vital importance to the nation's reputation in foreign trade."

Li hoped the rural industry will play an even more important role in the future development of China's foreign trade.

"First of all," he said, "the rural industrial enterprises should beef up their management."

Although the rural industry earned China more than \$10 billion in foreign exchange last year, it had been widely considered responsible for the poor-quality Chinese products available on the markets.

Over the next five years, the rural industrial enterprises should take steps to renovate their old equipment and machines, to update their technology, and to enhance quality of technicians, he added.

Vice-Minister of Agriculture Ma Zhongchen also urged the rural leaders at the meeting to strengthen management of the rural enterprises with a scientific approach, so that the rural potential of export expansion could be tapped.

He pointed out the rural enterprises had been enthusiastic about new products for exports as they buy more than 60 per cent of the nation's patents every year for production.

"This has enabled the rural factories to edge into the world market with greater potentials," Ma said.

The vice-minister urged the rural leaders to make greater contributions to the nation's export-oriented economy.

He said that rural export firms were expected to increase from 57,800 last year to 100,000 by 1995.

By then, he said, foreign-invested enterprises for exports should account for 10 per cent.

The government is hoping that the rural industry exports at least 100 billion yuan (\$19.2 billion) worth of goods every year by 1995, with an annual growth rate of 16.7 per cent during the 1991-95 period.

National Grain Enterprise Meeting in Tianjin

OW1505003391 Beijing XINHUA Domestic Service
in Chinese 0832 GMT 13 May 91

[By reporters Meng Zijun (1322 1311 0689) and Jiang Jun (1203 6511)]

[Text] Tianjin, 13 May—The National Experience-exchange Meeting on Reforming the Grain Circulation Structure ended today. Bai Meiqing, vice minister of commerce, summed up by saying that state grain enterprises must invigorate themselves, actively transform their operational mechanism, and deepen reform of the grain circulation structure.

Bai Meiqing said: Currently, the portion of regulation by the market is gradually expanding when it comes to grain, and market competition is intensifying by the day. State grain and edible oil enterprises will certainly fall into a passive situation if they do not take firm and effective measures.

He pointed out: Now, we must, first, actively implement and improve all forms of contracted managerial responsibility system in light of the characteristics of grain and edible oil enterprises. We must introduce the principle of material benefits within enterprises, and link worker's income with enterprise performance. In enterprise development strategy, we should change the unitary way of operations and carry out diverse operational activities at various levels and in different areas. Regarding the organizational form of enterprises, it is essential to develop integration and bring into play the overall superiority of the grain enterprises and increase their ability to compete in the market.

He said: Grain enterprises must discard the idea of resorting to "centralization" or expecting assistance from above to create conditions for them whenever they encounter some difficulty. We must work hard to win and maintain our

position as the "chief supplier" or "main channel." Only by doing so, can we hold our position in the fierce competition of the commodity economy.

Five Million Hectares of Crops Hit by Drought

*HK1505021791 Beijing CHINA DAILY in English
15 May 91 p 3*

[By staff reporter]

[Text] Though the flood season is approaching in the coming weeks in southern China, some regions there are still suffering from the drought which began last winter and has yet to ease.

At present, at least 80 million mu (5.3 million hectares) of crops are affected by the drought, an official from the anti-drought office under the Ministry of Water Resources told CHINA DAILY yesterday.

So far this year, the central government has allocated a total of 40 million yuan (nearly \$7.7 million) for the anti-drought efforts.

For instance, in Guangxi the severe drought has caused more than 9,700 small rivers to run dry and 36,800 reservoirs have dried up.

Statistics indicate that only half of the planned early rice crop was planted and about one-third of dry crops were sowed.

Similar signs of persistent drought were also reported in other provinces, mostly in southern China.

According to the official, Guangxi Zhuang Autonomous Region, Guangdong and Hainan provinces and the northern and eastern parts of Sichuan Province were among the worst hit areas, where rainfall has been insufficient since last winter.

As a result, the spring ploughing season was postponed again and again while the planting of a large number of early rice crops were badly handled.

Worse than this, the official said, the sowing of many dry crops, such as the uplands rice in southern China's mountain areas, were also affected due to the lack of enough rainfall so far this year.

But, according to the latest reports reaching Beijing yesterday, drought has been largely eased in Guangdong Province by two downpours early this month.

Farmers there are now rushing to the land in the hope of making up for their lost seeded areas by planting more semilate rice or dry crops.

In Guangxi, small amounts of rain were also reported in a few areas over the past few days but it was almost useless for the large area of drought land.

Fortunately, "the drought will become less serious as most rivers in South China will enter their rainy season later this month," the official noted.

Meanwhile, Vice-Premier Tian Jiyun urged local authorities to be well prepared to fight both flood and drought.

The vice-premier said that governments at all levels should check dams and dikes carefully before the flood season, and should take various measures to ensure the safety of large dams, rivers and large and medium-sized cities along largest rivers.

According to the latest reports from the Ministry of Water Resources, the reinforcement of 18 dams out of China's 43 largest reservoirs has been completed recently.

Grasslands Preservation Measures Increased

*HK0805015791 Beijing CHINA DAILY in English
8 May 91 p 1*

[By staff reporter Wang Dongtai]

[Text] Reforms designed to save China's 400 million hectares of grassland from overgrazing and neglect have proved so successful they are being stepped up.

Focusing on leasing the pastures to herdsmen on contracts, the reforms have begun to pay off, with conditions improving in 42 percent of the endangered grassland.

However, according to the Ministry of Agriculture, more reforms are still needed because deterioration still occurred in the major animal husbandry provinces and autonomous regions.

In Inner Mongolia, for example, an average of 600,000 hectares of grassland deteriorated each year—a problem that was also found in Xinjiang, Tibet, and Qinghai.

The Ministry of Agriculture is now drafting a long-term plan for preserving grassland across China in the next 10 years.

Herdsmen in China used to drive their livestock from place to place and move home frequently, paying little heed to the effect on the grassland.

In 1985, Inner Mongolia first tried the contract system under which pieces of grassland were contracted to a family for a period of time.

Then, in 1987, it began to charge fees for the contracts, with other autonomous regions and provinces quickly following suit.

By leasing the grassland, the herdsmen are responsible for taking care of their piece of land instead of grazing their livestock anywhere.

Statistics from 19 provinces and autonomous regions showed that by the end of last year, 42 percent of grasslands were contracted to herdsmen, said Li Yutang, an official in charge of the grassland division of the Ministry of Agriculture.

In Inner Mongolia, 25 percent of the grasslands were leased to herdsmen under 10- or 15-year contracts with herdsmen paying an annual rent of 3-15 yuan per hectare.

In Xinjiang Autonomous Region, 6.1 percent of the grasslands were leased to herdsmen in the same way and in Qinghai, 10 percent. In Gansu Province it was 7.8 percent, Heilongjiang 12 percent, Shandong 24 percent and Jilin 27 percent.

Because of better management of grassland, livestock and related products continued to increase last year.

According to statistics provided by the ministry, there were 103 million head of cattle last year, an increase of 2.2 percent over the previous year.

Herdsmen also raised 210 million head of sheep, a decrease of 0.8 percent over 1989. Output of beef and mutton reached 2.3 million tons, an increase of 13.6 percent over 1989.

Output of wool reached 240,000 tons, an increase of 7.4 percent over 1989. Output of milk from cows and sheep reached 4.7 million tons, an increase of 10.3 percent over 1989.

East Region**Fujian Achieves Marked Results in Smuggling Cases***HK1405124891 Beijing RENMIN RIBAO in Chinese
10 May 91 p 3*

[Report by correspondent Jiang Baozhang (3068 1405 4545): "Fujian Achieves Remarkable Results in Fighting Smuggling"]

[Text] Remarkable results have been achieved in fighting smuggling thanks to Fujian Province's stepped-up efforts to crack down on smuggling activities and the close coordination of antismuggling departments at various levels with one another in the fight. In the last two years, more than 16,726 smuggling cases, in which the money involved amounted to 520 million yuan or so, have been investigated and handled. At the same time, advanced collectives and individuals in fighting smuggling have emerged in large numbers.

Being adjacent to Taiwan and Hong Kong, Fujian Province has a 3,000-odd km-long coastline. Since the coastal areas were opened to the outside world, collaborating with one another, some greed-driven lawless elements at home and from Hong Kong and Taiwan wantonly carried out smuggling activities and activities to sell smuggled goods. In April 1989, Fujian Province set up a leading group for maritime (antismuggling) coordination work and various prefectures, cities, and counties in the coastal areas restored their antismuggling leading organs. Antismuggling offices at all levels have organized antismuggling departments concerned to strengthen antismuggling work at sea and on land, take unified actions, and to coordinate with one another in handling serious, disputed, and difficult cases, thus effectively checking smuggling activities.

Mao Zhiyong Urges Enterprise Invigoration*HK1405072991 Nanchang Jiangxi People's Radio
Network in Mandarin 1000 GMT 11 May 91*

[Excerpts] This morning, the provincial party committee and people's government held a forum to discuss ways and means of implementing and carrying out the "Opinions of the Provincial Party Committee and the Provincial People's Government on Invigorating Enterprises, Especially Large and Medium-Sized State-Run Enterprises," as well as the question of further invigorating large and medium-sized enterprises.

The forum was presided over by (Su Shengyou), provincial party committee Standing Committee member and vice provincial governor.

Provincial party committee Secretary Mao Zhiyong and Deputy Secretary Liu Fangren delivered speeches at the forum.

Assistant provincial Governors (Huang Zhiquan) and (Zhang Yunchuan) attended the forum.

Directors of 10 large and medium-sized enterprises, including Jiangxi Automobile Factory, Jiangxi Textile Printing and Dyeing Mill, and others, as well as responsible persons from the relevant departments of the provincial party committee and government attended and delivered speeches at the forum. They held: The "Opinions of the Provincial Party Committee and the Provincial Government on Invigorating Enterprises, Especially Large and Medium-Sized State-Run Enterprises" is imbued with a pragmatic spirit. The "Opinions" not only point out present difficulties in invigorating enterprises but also put forward measures for tackling problems. The speakers pledged to implement to the letter all the policy measures formulated by the provincial party committee and government for invigorating enterprises, especially large and medium-sized state-run enterprises, work with one heart and one mind, make concerted efforts, and join hands in grasping implementation in this regard in a down-to-earth manner.

In his speech, provincial party committee Secretary Mao Zhiyong pointed out: The document issued by the provincial party committee and government on invigorating enterprises, especially large and medium-sized state-run enterprises, has received a positive response from all quarters. The document is now regarded as a practical and applicable one. Generally speaking, both the higher levels and the lower levels must strengthen cooperation in implementing this document. Moreover, cooperation must also come from both within and without enterprises. As far as the higher levels are concerned, the provincial party committee and government must conscientiously grasp inspection, supervision, and coordination in this regard. What is more important at the moment is that all the comprehensive economic departments, enterprise management departments, supervision departments, and other relevant departments directly under the provincial authorities must conscientiously concretize the relevant policy measures advanced by the provincial party committee and government in order to formulate detailed measures for their implementation. [passage omitted]

The enterprises concerned must successfully implement all the relevant policy measures advanced by the provincial party committee and government and concentrate efforts on improving management and operation as well as on increasing efficiency and internal vitality. Here the key lies in the following two aspects:

1. To deepen internal enterprise reform. All large and medium-sized enterprises must speed up reform of their own labor, wages, personnel, distribution, marketing, and guarantee systems and must establish and perfect their own enterprise management systems. [passage omitted]
2. To promote enterprise technological transformation.

Mao Zhiyong stressed: In the final analysis, the key to invigorating large and medium-sized enterprises and increasing enterprise vitality lies in wholeheartedly relying on the working class and fully mobilizing the enthusiasm

of the broad masses of staff and workers. Party, government, Communist Youth League, and trade union organizations within these enterprises must cooperate with one another, form a unifying force, continuously conduct thoroughgoing, painstaking, and vivid ideological and political work among staff and workers, and actively organize staff and workers to participate in democratic management of their own enterprises.

Wu Bangguo Addresses Shanghai Party Secretaries

*OW1405153691 Shanghai People's Radio Network
in Mandarin 0900 GMT 12 May 91*

[Text] Comrade Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, addressed the second short-term study class of county party secretaries run by the party school of the municipal party committee. He pointed out: The success or failure of our work in the 1990's will have a bearing on the success or failure of socialist modernization. At present, Shanghai has already laid down its major policies. After the line is decided, cadres will be the deciding factor. The success or failure of Shanghai's work will be decided to a great extent by the mental attitude of the cadres, particularly that of the number one men. For this reason, the municipal party committee is determined to run the study class for the number one men in district and county party committees. The purpose of the study class is to exchange ideas, unite understanding, and make party committees at various levels consider the overall situation in practical work and conscientiously implement the principles and policies of both the central authorities and the municipal party committee.

The study class opened 6 May and ended 11 May.

Wu Bangguo and Ni Hongfu, secretary and deputy secretary respectively of the municipal party committee, joined others in study and discussion at the class as ordinary members of the class from beginning to end. They put forward many important views.

Mayor Huang Ju attended the discussion on the first special topic of the class.

Huang Ju said: In the 1990's, Shanghai should climb up one new flight of steps in its rural work on the current foundation. In planning the work for suburban counties, we should have new objectives, as well as a new starting point and a new way. We should consider Shanghai's overall situation, proceed from the needs of further reform and opening to the outside world in the 1990's, and strive for new progresses. We should implement existing policies well and open up a new road which fits the economic development of Shanghai's suburban counties.

During study and discussion, county party secretaries generally praised the study class. They said: The study class provides clear and definite guidance, and major topics are being discussed freely by participants. It ensures integration of theory with practice and integration of group discussion with private talk. It displays the

spirit of the rectification movement while promoting party spirit. We have learned a great deal in a short time.

They pledged to pay attention to ideological rectification work among number one men in townships and towns after they return to their posts.

Comrades Wu Bangguo and Ni Hongfu spoke at the closing ceremony yesterday. Comrade Wu Bangguo expressed important views on how to become an even better county party secretary. He pointed out that an important way is for the number one man to pay great attention to his duty.

He said: We should hold regular meetings to discuss major tasks, express our views and exchange ideas to enlighten each other. We should have heart-to-heart talks. This will greatly help us enhance our understanding and broaden our thinking. We should seriously study some theories in consideration of our actual work. We should stand taller so as to see farther. We should provide better ideological guidance for all work. We should go to grass-roots units to conduct thorough investigation and study on major issues which affect the overall situation. We should adopt effective measures to deal with existing problems.

When arranging work for this year, Wu Bangguo emphasized continuity and stability of work, as well as the pioneering nature of work. He called on the party secretaries in all counties to adhere seriously to democratic centralism; manage cadres at all levels strictly; build a clean, honest, and diligent government; perform actual deeds; bring forth new ideas; and strive to raise the work of suburban counties to a higher level.

Wu Bangguo, Huang Ju Meet Newspaper Editors

*HK1105030991 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1150 GMT 9 May 91*

[“Report: Wu Bangguo and Huang Ju Meet Chief Editors of Hong Kong's WEN WEI PO”—ZHONGGUO TONGXUN SHE headline]

[Text] Shanghai, 9 May (ZHONGGUO TONGXUN SHE)—Wu Bangguo, newly appointed secretary of the Shanghai Municipal CPC Committee, today said to Chang Yunfeng and Chen Nan, editor in chief and deputy editor in chief respectively of Hong Kong's WEN WEI PO that Hong Kong's prosperity is beneficial to the mainland, and that the role Hong Kong plays to the state cannot be substituted by any place on the mainland including Shanghai.

At a meeting with Chang Yunfeng and Chen Nan this morning, Wu Bangguo and Huang Ju, newly appointed mayor of Shanghai, indicated that Shanghai will maintain the continuity, stability, and openness of its policies and practical work on the foundation laid down by the previous terms of government. In both reform and opening up, Shanghai will make more rapid development in the 1990's on the basis of the 1980's.

Wu Bangguo and Huang Ju also briefed Chang Yunfeng and Chen Nan in detail about the present condition of and blueprint for Pudong's development.

Shanghai Meeting Urges Support for Army Reform

OW1305125691 Shanghai People's Radio Network
in Mandarin 2200 GMT 10 May 91

[From the "Morning News" program]

[Text] The first municipal experience-exchange meeting on supporting army reform and building was held in Jiading on 9 and 10 May. In recent years, departments of civil affairs and people's armed police at all levels in the city, as well as factories, neighborhood committees, institutions, and enterprises, have set up service networks, jointly launched activities of supporting the army and giving preferential treatment to the families of revolutionary army men and martyrs, and conducted national defense education to strengthen the sense of national defense among the people.

People's armed police departments of Yangpu District, Shanghai, Jiading, and Chuansha counties were commended by the Nanjing Military Region yesterday.

Vice Mayor Xie Lijuan, on behalf of the municipal government, made a speech at the meeting, in which he said that it is necessary to enhance our understanding of the importance of supporting army reform and building. We should, he continued, give support to army reform and building in various ways and with a sense of sharing our destiny in thick and thin.

Speaking at the meeting was Major General Zhu Xiaochu, political commissar of the PLA Shanghai Garrison.

Shanghai Vice Mayor Receives Guangdong Delegation

OW1405134191 Shanghai People's Radio Network
in Mandarin 2200 GMT 11 May 91

[From the "Morning News" program]

[Text] The Guangdong Provincial Government delegation headed by Liu Weiming, vice governor of Guangdong Province, arrived in Shanghai a few days ago.

Zhuang Xiaotian, vice mayor of Shanghai Municipality, held cordial and friendly talks with guests from south China.

Vice Mayor Zhuang Xiaotian briefed the delegation on Shanghai's economic construction and the Outline of the 10-Year Program and Eighth Five-Year Plan for National Economic and Social Development for Shanghai. Vice Governor Liu Weiming described Guangdong Province's economic development in recent years.

Responsible persons of the Finance and Trade Office, the Office for Restructuring Economy, the Coordination Office, and other departments concerned exchanged views with members of the delegation. Together they explored questions on reform of the circulation system, establishment and

management of the market, and ways to enliven the large and medium-sized enterprises. They also exchanged opinions on the question of strengthening economic cooperation between Shanghai and Guangdong.

During its stay in Shanghai, the Guangdong Provincial delegation will visit the New Pudong District, and study the establishment of marketing and business facilities in Shanghai.

Statistics Show Shanghai Economy Improving

OW1405061091 Beijing XINHUA in English
0541 GMT 14 May 91

[Text] Shanghai, April [month as received] 14 (XINHUA)—The total industrial output in Shanghai during the first four months of this year reached 60.78 billion yuan, a 11.5 percent increase over the same period last year.

According to the Shanghai Statistical Bureau, the industrial output from the first half of this year is expected to surpass that of last year by 10 percent.

Moreover, the rate of increase for the entire year is expected to exceed earlier predictions of 4 percent.

In the meantime, the city's market is also reviving. The retail volume during the first four months reached 13.582 billion yuan, up 17.5 percent over the corresponding period last year.

Furthermore, this year's retail volume is expected to increase 10 percent over last year.

Foreign funded projects continue to increase in the city. Since the beginning of the year, 106 new projects involving 91 million U.S. dollars have been signed, respectively 110 percent and 44 percent more than the same period last year.

In addition, the city's export volume reached 1.846 billion U.S. dollars, up 15.7 percent.

The state's reform which grants foreign trade departments sole responsibility for their profits and losses has affected export, according to Xu Qiuliang, an official from the Shanghai Foreign Economic Relations and Trade Commission. Nevertheless, he said, this year's total is expected to exceed last year's level, which was 5.32 billion U.S. dollars.

However, economists warned that Shanghai's economy still faces serious problems.

Poor economic efficiency, increasing stockpiles of goods and marked rises in the price index need quick and effective solutions, economists noted.

Efforts Made To Revitalize Shanghai Enterprises

OW1205150791 Beijing XINHUA Domestic Service
in Chinese 2008 GMT 8 May 91

[By XINHUA reporters Wu Fumin (0702 1788 3046) and Chen Yani (7115 7161 1200): "Let the 'National Team' Regain Its Past Glory: Shanghai Makes an All-Out Effort To Revitalize Large and Medium-Sized Enterprises"]

[Text] The long-standing call, "revitalize large and medium-sized enterprises," has truly become the major melody of Shanghai's economic life this year. The municipal party and government leadership has been devising strategies and making careful plans to achieve this goal. The most pressing task at the moment is to bring about a change to the grim reality that both the growth rate and economic efficiency of the large and medium-sized local enterprises with ownership by the whole people have declined. The goal is to put an end to the decline this year, reverse the trend next year, and walk out of the predicament the year after so that our "national team" can regain its past glory. Accordingly, various general departments have been making plans and taking concrete action to achieve this goal. Various industrial bureaus have been rousing themselves for vigorous efforts and working hard to produce tangible results. The first full-scale battle to revitalize the large and medium-sized enterprises is being fought in a down-to-earth manner and with great momentum as relevant policy measures are developed and put in place one after another.

Management Mechanism—the Focus of Revitalizing Enterprises

More than 850 large and medium-sized enterprises with ownership by the whole people clustered on Shanghai's 350-square km of land. Their output value, profits, and taxes account for around 70 percent of the municipality's total industrial output value, making them Shanghai's or even the country's important revenue source. Production in large and medium-sized local enterprises with ownership by the whole people declined for two years in a row and their profits declined continuously in the last three years, however, dropping from 7.8 billion yuan in 1988 to 4.206 billion yuan in 1990.

The municipal party and government leaders believe that while the "special policy" of offering money and materials to large and medium-sized enterprises may temporarily help them out of the predicament, it is by no means a fundamental way to revitalize them. The focus should be placed on changing their management mechanism to make them true socialist commodity producers and operators operating independently and responsible for their profits and losses.

"Self-management" is an important link of the management mechanism. Many industrial bureaus in Shanghai began tackling their problems by concentrating on this issue. Even last year there were still regulations requiring users of cotton yarn and grey cloth to get them only from Shanghai's textile industry. This self-enclosed, noncompetitive planning system suffocated Shanghai's textile printing and dyeing

industry, which was able to report only 300 million yuan in retained profits despite the fact that it is a major industry with over 350,000 workers. Facing this situation, Shanghai's Textile Bureau took decisive action early this year and allowed enterprises to operate independently in the domestic and international markets. This measure immediately rescued a group of enterprises and initially created a situation in which materials were purchased through different channels and commodities were exported from different ports. As a result, the printing and dyeing industry put an end to the losses and made profits in all areas. The general efficiency of the entire textile industry also gradually picked up.

In late March this year, Shanghai's Bureau of Metallurgical Industry, which had a management style similar to the Textile Bureau, also took the initiative to institute reform. They granted to enterprises entirely the power to procure raw materials to cover material shortages regardless whether the production is included in the state plan or not, the power to sell their products by themselves, and the power to manage production. It allowed enterprises to produce and operate independently: to procure the best raw materials available, to sell their products in the market and directly to the consumers, to allow enterprises to adjust their prices on the basis of production cost, to process materials supplied by foreign firms, and to put both ends of the production process on the world market and import more raw materials and export more products. This action enabled several major steel plants in Shanghai to adopt a strategy that promotes self-development and independent management.

All the financial, banking, and taxation policies adopted by Shanghai Municipality this year promote the revitalization of large and medium-sized enterprises and encourage them to compete in the market and produce major results.

"Survival of the Fittest"—Earnestly Infuse Competition Mechanism in Inter-Factory Relations

A brand new eye-catching economic trend has emerged in Shanghai's industrial department. Since the beginning of this year, over 70 enterprises have voluntarily registered with the higher authorities, requesting amalgamation of enterprises. This phenomenon is completely different from utterly wretched conditions in previous years when enterprises were ordered to merge. The Shanghai Municipal Government has also successively adopted a series of measures to support amalgamation of enterprises and develop groups of enterprises. The measures are in sharp contrast to the previous practice of emphasizing "large, powerful, and rich enterprises helping small, weak, and poor ones" to "tide over difficulties and stop deficits."

At the beginning of this year, the Shanghai Municipal Government explicitly pointed out: Revitalizing large and medium-sized enterprises is a general concept and does not mean that every enterprise should be invigorated. Earnestly infusing the mechanism of survival of

the fittest in relations among factories, the municipal government has shown no mercy in shutting down, suspending operations, amalgamating with others, or switching to the manufacture of other products of enterprises which failed to invigorate themselves in the course of competition. The amalgamation of 108 enterprises in Shanghai in the past two years has not only brought into play the output efficiency of production elements in stock but, more importantly, updated the thinking of people in the course of practice. A common understanding has been reached among people, that is, amalgamation of inferior enterprises by superior ones is a rational movement and an optimal combination of production elements, an inevitable demand for readjusting product mix and production structure, and an effective way of raising the overall quality and efficiency of industry. It is precisely because of such a progressive concept that among enterprises voluntarily requesting amalgamation there are large and famous factories with labor forces numbering over 1,000 unwilling to survive in steadily worsening conditions. The 14 enterprises, which amalgamated others since the beginning of this year, have a head start: They have succeeded not only in helping inferior enterprises tide over difficulties but also in striving to further develop their own superiority. After the No. 7 Shanghai Wool Mill's amalgamation with the only ramie mill in the municipality earlier this year, technicians in the two mills have worked concertedly in fierce market competition by jointly developing various new flax products. By the end of April, some 30 kinds of light wool containing flax, which are suitable for spring and summer clothing, had been put on the market. Along with the increasing scale of enterprise operations, the difficulty has been easily resolved.

An Important Idea to Revitalize Large and Medium-Sized Enterprise—Joint Venture "Grafting"

A fact has come to the people's attention: While the efficiency of large and medium-sized state enterprises were declining with double digit percentages, that of Chinese-foreign joint and cooperative ventures and solely foreign funded enterprises was rising at double digit percentages. The main reason for such a sharp contrast lies in that Chinese-foreign joint and cooperative ventures and solely foreign funded enterprises are superior to large and medium-sized state enterprises in the mechanism to compete in the market and to adapt themselves in the competition.

An important idea to help Shanghai's large and medium-sized enterprises revitalize themselves through changing their operating mechanism is to encourage them to use more foreign capital in "grafting" and updating old enterprises. As of the end of last year, Shanghai had established 717 joint and cooperative industrial enterprises with a total foreign investment of \$1.221 billion. In the first quarter of this year, 68 industrial investment projects by foreign businessmen involving a total of \$100 million were approved, a record figure in the corresponding period of previous years. The

annual industrial production value of joint and cooperative ventures and solely foreign funded enterprises has reached 6.4 billion yuan.

Joint and cooperative ventures and solely foreign funded enterprises in Shanghai enjoy a greater decision-making power than other Chinese enterprises. After "grafting" joint ventures into Shanghai's old enterprises manufacturing automobiles, elevators, motorcycles, and communications equipment, the difference in quality between such Chinese products as Santana sedans, Xunda elevators, Xingfu motorcycles, Fukesiboluo automatic instruments and meters, and Weigaogeli offshore petroleum drilling equipment on the one hand and those of the world's advanced level on the other has diminished rapidly. The vigor and vitality derived from the "grafting" of joint ventures into outdated enterprises should be exemplary and inspirational to other enterprises. This year, there are more diverse and flexible forms of "grafting" joint ventures in Shanghai: Some enterprises have designated a single branch plant or workshop to set up a "factory inside the factory" as part of a joint venture with foreign businessmen. Others have grafted a section of production workshops in the entire production process to form joint ventures. For example, the No. 10 Printing and Dyeing Mill has designated the printing and finished product workshops as the section for joint venture, while the nature of other production workshops and service departments has remained unchanged. In this way, operations of the joint venture and non-joint venture sections are independent of each other, while their production and management are linked under a unified production command. Still other enterprises have implemented the system of "one factory under three systems" of state enterprises, joint ventures, and cooperative enterprises. Still some others have gone to places outside Shanghai to set up factories. Some have set up several joint venture factories under the same mother factory.

Actively Advance Internal Reform in Enterprises, Focusing on Invigoration

We should place the deepening of internal reform in enterprises as a pressing item on the agenda for both the short-term task of checking declining efficiency and the long-range goal of revitalizing Shanghai.

This year, with the Shanghai Municipal Government mapping out seven additional measures for granting a greater decision-making power to enterprises and lightening their burden at a time when both the direction of national policies and the adoption of supporting reform measures are focused on helping enterprises change their operating mechanism, the deepening of internal reform of enterprises has increasingly become a conscious demand of enterprises.

Overstaffing is a burden too heavy for state enterprises. The No. 2 Textile Machinery Plant, a model of enterprise reform in Shanghai, voluntarily asked at the beginning of this year to experiment with a reform project,

focused on a contract system of full-time workers and supplemented with reform measures in labor, wages, and insurance systems. Under the pilot project, the plant's 4,000 staff members and workers should first sign a labor contract and then be given a letter of post appointment. There are wage differences between workers who take up a post and those who do not. Those who are not given the letter of post appointment will be resettled. In this way, the structure and distribution of labor in the plant have truly helped in harnessing the workers' enthusiasm. Since then, over 30 enterprises, including the Shanghai Micro Bearing Plant, Special-Shaped Steel Plant, Jiafeng Cotton Textile Mill, and Diesel Engine Plant, have successively asked to implement the pilot project. The municipal labor department has already selected 10 enterprises to experiment with a new recruitment system, with labor contracts for full-time workers as the main feature, while stepping up efforts to draft and implement plans on a trial basis for reforming social security systems, including unemployment insurance.

The shareholding system has been actively and yet prudently tried out among groups of enterprise and enterprises in the Pudong New Zone. Other pilot reform projects have been carried out in the following forms: establishment of associations or groups of enterprises between Puxi and Pudong in a bid to spur Puxi with the development of Pudong; the granting of full autonomy to a number of export commodity base enterprises in the machinery and electrical industry; and the combination of textile industry with foreign trade for increasing exports.

In revitalizing large and medium-sized enterprises, it is of primary importance to heighten spirit, especially the spirit of managers. Shanghai has set strict demands on managers: They should set their eyes on the internal operations of enterprises, strengthen management, improve quality, and revitalize operations in order to raise efficiency. Meanwhile, it is necessary to persist in and improve the system of directors assuming full responsibility and to grant ample decision-making power to managers, so as to ensure smooth implementation of policy measures.

Shanghai Municipality has achieved initial successes in going all out to revitalize large and medium-sized enterprises. In the first quarter of this year, the production value of local state-owned industry increased by 3.9 percent over the same period last year, thus ending a two-year decline. This increase was a major contributing factor to the 11.9 percent growth of Shanghai's gross industrial production value in the first quarter of the year. At the same time, the 9.3 percent rise of product sales volume and 9.5 percent increase in sales tax delivery explained that the value of products had been cashed. True, local state-run enterprises in Shanghai still face the problems of increasing products in stock and declining profits, but the severity has weakened. Problems accumulated over the years cannot be resolved overnight. What is important is a turn for the better. The regaining of past glory by the "national team" is just round the corner.

Shanghai Invites Bids for Land Use Rights

OW1105112291 Beijing XINHUA in English
0935 GMT 11 May 91

[Text] Shanghai, May 11 (XINHUA)—A spokesman for the Shanghai Land Administration said today the administration will invite bids for 70 year land-use right to a piece of land in the western suburbs.

The land, which covers 55,400 square meters, is designated for the construction of two or three story apartment houses and service facilities.

The administration spokesman said that this will be the sixth time for the city to transfer land-use rights, and the third time through international bidding.

Bid tenders will begin between July 8-10 in both Shanghai and Hong Kong, the Shanghai Land Administration plans to open bids on July 14. The successful bidder will enjoy the land-use right for a period of 70 years, according to the spokesman.

Central-South Region

Hainan Conference Elects New Vice Governors

HK1305152591 Haikou Hainan People's Radio
Network in Mandarin 1100 GMT 12 May 91

[Text] The third plenary meeting of the fifth session of the provincial conference of people's representatives was convened in the provincial party committee's auditorium this afternoon.

The plenary meeting was held to vote to elect a new vice chairman of the standing committee of the provincial conference of people's representatives, new vice governors of Hainan Province, and a new provincial higher people's court president.

Cao Wenhua, executive chairman, presided over the meeting. He announced: Today's meeting should be attended by 285 representatives. The actual number of representatives attending today's meeting is 275. Thus the meeting is attended by a sufficient number of representatives as required by the law.

The meeting unanimously adopted with a show of hands a decision on accepting Wang Yuefeng's resignation as vice governor of Hainan Province and a decision on accepting Ding Guo's resignation as president of the Hainan Provincial Higher People's Court.

In a strong atmosphere of democracy, the meeting's executive chairman announced the following election results:

Miao Enlu has been elected vice chairman of the standing committee of the provincial conference of people's representatives;

Mao Zhijun and Wang Xueping have been elected vice governors of Hainan Province;

Tian Zhongmu has been elected provincial higher people's court president.

Also acting as executive chairmen at today's meeting were Yao Wenxu, (Zhao Guangyu), and [words indistinct].

Hou Zongbin Addresses Henan Officials

HK1205043791 Zhengzhou Henan People's Radio Network in Mandarin 2200 GMT 6 May 91

[Excerpts] A provincial meeting for secretaries of city and prefectural party committees, mayors, and commissioners ended in Zhengzhou yesterday morning [6 May]. [passage omitted]

In his speech at the meeting, provincial party committee Secretary Hou Zongbin said: At the fifth provincial party congress, we raised the slogan of pressing ahead in unity and forwarded the one-higher-one-lower policy, that is, we should strive for an economic growth rate which is higher than the national average and a population growth rate which is lower than the national average. After a year of hard work, we have made gratifying achievements in these respects. The key job for the present is to ensure fulfillment of various tasks.

He continued: It is necessary to guard against and get rid of formalism. The leadership must integrate themselves with the masses and combine general appeal and individual guidance. All levels of Leading cadres must go down to the grass-roots units to make investigations and studies and make up their minds to free themselves from the piles of documents and countless meetings. They should give full play to democracy and solicit opinions from all sides so they will not take a one-sided approach to problems. All levels of party committees and governments must strengthen themselves ideologically and improve their work style mainly through conducting education in party spirit. They should always study hard and conduct education. [words indistinct] They should carry out criticism and self-criticism and follow the mass line. In rectifying unhealthy professional tendencies and strengthening the unity of the leadership line-ups, they should make concentrated efforts to solve the problems that have an overall impact. [passage omitted]

Urges Learning From Jiao Yulu

HK1305154391 Zhengzhou Henan People's Radio Network in Mandarin 2200 GMT 10 May 91

[Excerpts] Yesterday morning [10 May], the Henan Provincial CPC Committee solemnly held in the provincial People's Hall a provincial report meeting on learning from the spirit of Jiao Yulu. Leading comrades from the provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, provincial government, and provincial Chinese People's Political Consultative Committee [CPPCC], and more than 3,000 cadres from organs directly under the provincial authorities cherished the memory of Comrade Jiao Yulu and a feeling of great reverence for his spirit to attentively

listen to moving reports made by five responsible comrades from the Lankao, Gushi, and Xinye county CPC committees, the CPC committee of Number One Tractor Manufacturing Plant, and the (Zhongyuan) District CPC committee in Zhengzhou. All participating comrades received a profound education and encouragement from those reports. [passage omitted]

Provincial party Secretary Hou Zongbin and provincial Governor Li Changchun, provincial party Deputy Secretary Wu Jiquan, and other leading comrades listened to the reports together with other participants.

Comrade Hou Zongbin made an important speech on how the whole province should carry forward Jiao Yulu's spirit more extensively and profoundly in the future. He said: To further carry forward Jiao Yulu's spirit, we should first truly learn from Jiao Yulu and second do solid work. To truly learn from Jiao Yulu, we should learn from his real spirit, always place the interests of the party and people above everything else, and serve the people wholeheartedly. To truly learn from Jiao Yulu, we should not rest content with being able to recite some of his quotations, or being moved by his deeds for some time. It is wrong not to get ourselves involved in the study. We should put what we have learned into our actions. We should truly learn from the real spirit of Jiao Yulu, digest it, absorb it into our minds, and turn it in to our conscientious actions.

He continued: Just as Comrade Jiang Zemin points out, to truly learn from Jiao Yulu, we should inherit and carry forward Jiao Yulu's spirit in the new historical stage, stick to the principle of party spirit, facilitate arrangements made by party organizations, be strict with ourselves, and be daring in carrying out struggle. We should devote ourselves to our cause without considering any private gains. In the activities of learning from Jiao Yulu's spirit, all party members should have a spirit and courage of being strict on themselves, taking immediate actions, and putting what they have learned from Jiao into their work. We should take Jiao Yulu's spirit as a mirror and the principle of party spirit as a basic yardstick. We should, very often, review what happened in the past as Jiao Yulu did. We should frequently look at ourselves in the mirror, and measure ourselves by the yardstick, so that we can find the dust in our minds, and the defects in our work style.

Comrade Hou Zongbin pointed out: To carry forward Jiao Yulu's spirit, we should attach importance to practical results, quietly immerse ourselves in hard work, and truly absorb the spirit into our practical actions and our work. [passage omitted]

Hou Zongbin stressed: We should have a high sense of responsibility for the party and the people just as Comrade Jiao Yulu did. We should concentrate our attention on the people, and devote our efforts to serving the people wholeheartedly. Proceeding from the fundamental, long-term, and overall interests of the party and the people, we should do more practical work which is

beneficial to our country and people. In our work, the higher levels should lead well the lower ones, and all parts should be closely linked with one another. We should mean what we say, and always be true in word and resolute in deed to gain the trust of the people. Through extensively carrying forward Jiao Yulu's spirit, in the whole province we should develop a good general practice of grasping the implementation of policy, going all out, doing practical work, and attaching importance to practical results to promote stable economic development and the overall fulfillment of various work. We should strive for the attainment of the objectives of uniting as one, forging ahead, and invigorating Henan.

Li Changchun, provincial party deputy secretary and provincial governor, presided over the report meeting, and made an important report at the end of the meeting.

Henan Punishes Grain, Oil Price Profiteers

HK1505115691 Zhengzhou Henan People's Radio
Network in Mandarin 2200 GMT 14 May 91

[Text] Luoyang City has recently cracked a case of sabotaging state price policies and disrupting grain and oil markets.

(Li Chun), director of Shijiaping Grain Shop in the suburbs of Luoyang City, and shop assistant (Wang Maier) collaborated with (Wang Lianer), an unemployed person, in illegally buying 5,000 kilograms of first-class flour at former state price of 0.56 yuan per kilogram shortly before the state readjusted grain and oil prices and in reselling for a profit the same flour at a higher price of 1.12 yuan per kilogram afterwards.

Clearly knowing about the limit imposed by the state on edible oil purchases at negotiated prices, (Zhang Hexiao), deputy manager of Luoyang City's No. 5 Grain and Oil Purchase and Marketing Company, privately consented to sell 1,080 kilograms of edible oil at negotiated prices to (Wang Lianer) and (Wang Maier).

After the case of (Li Chun) and others, who had bought up and resold flour and edible oil for a profit, was exposed, the Luoyang City Party Committee and the Luoyang City government immediately ordered the city's supervision, grain, and price bureaus to form a joint investigation team to investigate and handle the case. After several days of investigation, the team found and verified all the discipline-violation facts concerning (Li Chun) and others.

After the case had been studied by the Luoyang City supervision bureau and with the approval of the Luoyang City government, grain shop director (Li Chun) and shop assistant (Wang Maier) were discharged from public employment. (Zhang Hexiao) was also removed from office as deputy manager of Luoyang City's No. 5 Grain and Oil Purchase and Marketing Company.

The city's industrial and commercial administrative bureau also decided to confiscate 5,000 kilograms of

first-class flour and 900 kilograms of vegetable oil from (Wang Lianer), impose on him a fine equivalent to 20 percent of the total value of the aforementioned goods, confiscate 700 yuan illegally gained by Shijiaping Grain Shop, impose a fine of 50,000 yuan on the shop, impose a fine of 350 yuan on (Li Chun), who was directly responsible for the alleged illegal dealings, impose a fine of 400 yuan on (Wang Maier), impose a fine of 350 yuan on (Zhang Hexiao), and give material reward to those who reported the case.

Hubei's Guan Guangfu on Discipline Inspection

HK1205063091 Wuhan Hubei People's Radio
Network in Mandarin 1130 GMT 7 May 91

[Excerpts] The provincial discipline inspection work conference was convened in Wuchang 4-7 May.

Comrade Guan Guangfu, provincial party committee secretary, attended and delivered a speech at the conference.

He pointed out: Party committees, discipline inspection commissions, and leading cadres at all levels must further unify ideology and understanding, strengthen party spirit building and clean government building by closely centering on the party's basic line, and effectively guarantee and promote economic construction.

Comrade Guan Guangfu pointed out: Party and government organs and leading cadres at all levels and all Communist Party members must heighten consciousness in and understanding of stepping up party spirit building and clean government building from the high plane of international and domestic situations and by taking into account the overall interests of party building work and must correctly understand relations between party style building and clean government building on the one hand and economic construction on the other by closely centering on the party's basic line, this being a fundamental question relating to understanding.

Comrade Guan Guangfu further pointed out: Consciously stepping up party style and clean government building entails proper handling of the following four types of relations related to understanding:

1. To correctly understand relations between persisting in the aim of wholeheartedly serving the people and persisting in reform and opening up to the outside world; [passage omitted]
2. To correctly understand relations between persisting in the principle of party spirit and developing commodity economy; [passage omitted]
3. To correctly understand relations between strictly enforcing party discipline and invigorating economy; [passage omitted]
4. To correctly understand relations between punishment and protection. In party style building, party discipline building, and discipline inspection work, punishment and protection are unified in nature. [passage omitted]

When speaking of stepping up party style and clean government building by centering on implementing the 10-Year Program and the Eighth Five-Year Plan, Comrade Guan Guangfu affirmed the achievements scored by our province in party style and clean government building over the past two years. He said: We are still confronted with arduous party style and clean government building tasks. The next decade is a very crucial period in the historical process of our country's socialist modernization building. Whether or not we will be able to attain our second-stage strategical goal in the 1990's is at once an economic and a political question.

He pointed out: In order to solve problems in party style and clean government building, we must concentrate our efforts on doing realistic things, grasp and solve problems one by one, work in a down-to-earth manner, and strive to achieve actual results. It is necessary to solve one by one those outstanding problems which undermine reform, opening up, and economic construction; harm relations between the party and the masses; or cause great concern and resentment among the masses. At present, efforts must be centered on tackling problems in the following two aspects:

1. The problem of some party members and cadres seeking private gains by abusing their power or trading their power for money; [passage omitted]
2. The malpractices in various trades and professions, especially malpractices within economic management departments, supervision departments, law enforcement departments, and public utilities. [passage omitted]

Comrade Guan Guangfu pointed out: Fundamentally speaking, strengthening party style and clean government building is aimed at inheriting and developing the party's fine traditions and fine style.

When speaking of persisting in simultaneously grasping two aspects, Guan Guangfu called for successfully carrying out work in the following six aspects:

1. To implement a party style-related responsibility system;
2. To grasp leading body style building;
3. To rectify grass-roots party organization style;
4. To grasp party-style and party-discipline education and improve party members' political quality;
5. To grasp models and develop a fine style;
6. To grasp the key points to improve overall work.

Guan Guangfu also stressed strengthening leadership over discipline inspection work and showing concern for and supporting discipline inspection work. He stressed: It is necessary to give unreserved support to the work of discipline inspection commissions by mainly assisting discipline inspection commissions in their handling of

cases. Party committees at all levels must attach utmost importance to investigating and handling major and serious cases.

Ding Fengying, provincial party committee standing committee member and provincial discipline inspection commission secretary, relayed the spirit of the national discipline inspection work conference and made a report on behalf of the provincial discipline inspection commission standing committee. [passage omitted]

In her report, she said: In 1990, discipline inspection organs at all levels in Hubei investigated and handled a total of 16,554 discipline-violation cases involving party members; wound up 15,239 of these cases; and disciplined 14,533 party members, among whom there were 229 party-member cadres at county or department level and 15 party-member cadres at prefectural or provincial department level. [passage omitted]

(Wang Chongwen), provincial discipline inspection commission deputy secretary, made a concluding speech at the conference.

(Gao Guobin), provincial discipline inspection commission deputy secretary, and others attended the conference.

Over 300 people attended conference, including responsible persons of various prefectural, city, autonomous prefectural, and county discipline inspection commissions; responsible persons of discipline inspection groups dispatched by the provincial discipline inspection commission to various units directly under the provincial authorities and to various provincial departments, offices, commissions, bureaus, and companies; as well as responsible persons of discipline inspection commissions of various large enterprises and mines and higher learning institutions.

Hubei Relays National Hi-Tech Conference Spirit

*HK1205010391 Wuhan Hubei People's Radio
Network in Mandarin 1130 GMT 6 May 91*

[Excerpt] The provincial and Wuhan City governments jointly called a meeting at Wuchang today to relay the spirit of the national conference on hi-tech development zones.

The meeting also called on all levels of departments to further improve their work style, make great efforts to build clean and honest governments, conscientiously carry out the important policy-decisions made by the CPC Central Committee and State Council about running well hi-tech development zones, and quickly and effectively develop high technology and related industry in Hubei to promote local economic construction.

Attending the meeting were responsible members from government departments, some major enterprises, universities and colleges, and scientific research institutes.

Article on Cross-Strait Economic Cooperation

HK1405014791 Beijing ZHONGGUO XINWEN SHE
in Chinese 0651 GMT 9 May 91

[Article by Dong Dalin (5516 1129 2651), vice chairman of Society for Research on Restructuring Economic System, director of China World Observation Research Institute: "Conform to Historical Trend, Speed Up Economic Exchanges, Cooperation Across Strait"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 9 May (ZHONGGUO XINWEN SHE)—The "Symposium on Prospects for Economic and Academic Exchanges Across the Strait" is cosponsored by the China World Observation Research Institute and ZHONGGUO XINWEN SHE. We have invited a number of well-known scholars and specialists from scientific and academic circles at home and abroad to attend.

We intended to hold this symposium long ago. It is a little late now, but fortunately not too late. As everybody knows, over the past few years tens of thousands of Taiwan compatriots have crossed the sea to visit relatives or travel; many groups of Taiwan businessmen have come to the mainland for trade and investment; and people from Taiwan's cultural and artistic circles have also arrived in succession. This trend is still developing, and can be described as surging turbulently. It should be admitted that this is a great historical trend, and we must all make further efforts to promote exchange and cooperation across the Strait.

Since the 1980's, an upsurge of exchange and cooperation has engulfed the entire world. We can see that enterprise groups of a multinational, international and global nature are growing rapidly; regional economic integration and the formation of common markets transcending regions or countries are now in the ascendant. Given this historical background, we on both sides of the Strait should no longer mark time, neither should we be silent to each other though we are so close that the crowing of cocks and barking of dogs are within hearing.

China's reform and opening up over the past decade has marched forward victoriously in conformity with this strong upsurge of exchange and cooperation. It is obvious to all that our achievements are tremendous.

Over the past decade of reform and opening up, the exchange and cooperation activities between the Chinese scientific and academic circles and various countries and regions of the world have been unprecedented in terms of range and scale. The only point that we feel is inadequate is that there are too few contacts among compatriots from the same circles and trades. Such a backward state of affairs should be changed.

In April 1985, when the joint study group of the State Science and Technology Commission and the State Restructuring of the Economic System Commission returned to Beijing from France and England via Hong Kong, I expressed to Hong Kong's press and business

circles my idea that Hong Kong, Kaohsiung and Xiamen might form a "big triangle" to conduct economic cooperation and then gradually expand into an economic zone on China's southeastern coast. If the 21st century is the Pacific century, then this vast area could be called a golden crown on the Pacific Ocean. Not long ago, someone abroad commented on this proposal, saying that the political conditions are not ripe, and that it is still too early. Over the past one or two years, some men of insight again put forward proposals and plans for establishing such a community. This is a gratifying phenomenon, indicating that quite a few people are gradually reaching a consensus. Although our social systems will be different in the future, yet we have a common blood lineage, a common cultural tradition, a common language, and common habits and customs on this land of the motherland. Is it not more natural and much easier to establish such economic cooperation?

Given the new historical conditions, with peace and development as two major themes, we sincerely hope that the Taiwan Strait will be a strait of peace, security, cooperation, and development, a strait with exquisite ocean ecology, and a prosperous strait oriented to world markets and the international community! May the elders and brethren across the Strait unite, and mutually create a unified, prosperous, and powerful motherland.

WEN WEI PO Reviews SEF's Beijing Visit

Visit Ends 4 May

HK1205053491 Hong Kong WEN WEI PO in Chinese
5 May 91 p 4

["Special article" by Chen Chien-ping (7115 0256 1627), WEN WEI PO correspondent in Beijing: "Viewing Straits Exchange Foundation's Beijing Visit in Perspective"]

[Text] Beijing, 4 May (WEN WEI PO)—The Taiwan Straits Exchange Foundation Mainland Visiting Group, led by Secretary General C. V. Chen wound up its six-day visit to Beijing today. Although the Straits Exchange Foundation has not achieved substantive results during this visit with respect to three direct exchanges, two-way exchanges, or its "business" affairs, the various central government departments still accorded a high-level reception to this nongovernmental organization with a special background, and gave it a fairly good assessment. It is believed that this is the CPC's expression of goodwill toward increased exchange and its earnest expectation that the three direct exchanges be carried out at an early date.

The Straits Exchange Foundation's current visit to the mainland has yielded results at the level of understanding, such as "one China." This is not only an objective reality that has won international recognition but also a common understanding of the people on both sides of the strait. Therefore, this is something that should be achieved and is also necessary.

The Mainland Does Not Establish Counterpart Organizations

During its six-day visit to the mainland, the Straits Exchange Foundation met separately with many central government departments. According to this reporter's observations, these meetings have profound significance, implying that the central government has no intention to establish a relevant organization corresponding to the Straits Exchange Foundation to have contacts with the Foundation. In addition, they also indicate that Beijing does not approve of Taiwan's practice of allowing the Straits Exchange Foundation to monopolize cross-strait exchanges. This principle is clearly and easily evidenced in the talks given by the State Council's Taiwan Affairs Office Director Wang Zhaoguo and Vice Director Tang Shubei. Therefore, it was always government officials at the vice-ministerial level of central government departments that received the Straits Exchange Foundation. This indicates the high importance attached to the occasion. During the meetings, however, there were invariably talks about hope and willingness to contact other organizations in Taiwan. This also reflects that, on the issue of cross-strait contacts, the Strait Exchange Foundation does not necessarily enjoy more privileges than other organizations, despite the great importance being attached to it.

Unanimous Call for Three Exchanges

According to Taiwan media reports prior to his arrival in Beijing, apart from paying official calls and introducing the Straits Exchange Foundation, C.V. Chen was assigned the task of seeking solutions to a number of general problems. It now seems that he paid official calls and introduced the Straits Exchange Foundation, but failed to reach any concrete agreement on other issues. Even in his talks with the State Bureau for Preservation of Cultural Relics, there was only an expression of intention to conduct a mutual exchange of cultural relics for exhibition. On the contrary, in their contacts with the Straits Exchange Foundation, the various central government departments have, without any exception, requested it to do more work in promoting direct "three exchanges" across the strait and two-way exchanges. The Ministry of Foreign Economic Relations and Trade handled this issue in this manner. So did the others, such as the Ministry of Communications and the Ministry of Posts and Telecommunications. From this, we can see that direct "three exchanges" and two-way exchanges serve as a threshold in resolving cross-strait relations and exchanges. If we are not resolved to cross it, we will not be able to resolve numerous substantive issues, including the issue of establishing branch organizations of the Straits Exchange Foundation on the mainland, as proposed prior to its visit to the mainland. Beijing's response to this is: It is very convenient for the Straits Exchange Foundation to enter and leave the mainland. Whenever it wishes to enter the mainland, the XINHUA NEWS AGENCY's Hong Kong Branch and the China Travel Service can make prompt arrangements. Besides, if there are any problems, it can also approach numerous

central government departments, with which it has made acquaintance during the current visit, for direct discussions. Judging from this response, it will be impossible for the Straits Exchange Foundation to set up branch organizations on the mainland in the near term.

The "Straits Exchange Foundation" Suffers From an Inherent Shortage

The Straits Exchange Foundation has come back from this visit empty-handed, as far as concrete business affairs are concerned. This can be attributed to its inherent shortage and lack of follow-up nourishment. By shortage we mean that it is totally unjustifiable for Taiwan to set up a "nongovernmental organization" to undertake a government work function. By lacking follow-up nourishment we mean that, prior to his arrival in Beijing, C.V. Chen claimed to be only seeking solutions to concrete technical and business problems, rather than touching on political and three-exchange issues. Such a statement is specious and illogical. If the major premise on the political plane is not resolved, how can we talk about solving concrete affairs? As this reporter observed during the news coverage, it is probably this sensitive factor that Beijing has taken into account when arranging for the Straits Exchange Foundation's visit and meetings. For example, all the meeting venues were sofas arranged in a circle, with no square table for the two sides to sit opposite each other. Besides, the mainland has all used the word "meeting," rather than "talks" in reporting on this activity. It is believed that this has something to do with Communist China's principle and policy of conducting talks only with the Kuomintang.

Observers here view that, in short, it is better for the Straits Exchange Foundation to come than not to. If it really hopes to play a positive role in the history of cross-strait relations, however, it should use its special background to do more substantive work in promoting direct cross-strait "three exchanges" and two-way exchanges.

Editorial Reviews Significance

HK1205044791 Hong Kong WEN WEI PO in Chinese
10 May 91 p 2

[Editorial: "Significance of Straits Exchange Foundation's Mainland Visit"]

[Text] Last weekend, the visiting delegation of Taiwan's Straits Exchange Foundation concluded its trip to Beijing and returned to Taipei.

Although the nature of the Straits Exchange Foundation visit was "to discuss broad principles," and it did not accomplish substantial results in further developing relations across the straits, as a civil organ which is "authorized" by the Taiwan authorities, the visiting delegation of the Straits Exchange Foundation met senior officials from the State Council Taiwan Affairs Office, the Ministry of Foreign Economic Relations and Trade, the Ministry of Justice, and the Ministry of Posts and Telecommunications; both sides did exchange ideas and

enhance mutual understanding and consensus. After the delegation returned to Taiwan, it immediately briefed the Taiwan authorities and senior officials concerned about the trip to Beijing, enabling the Taiwan authorities to clearly understand the mainland authorities' policy and signal. Therefore, the Straits Exchange Foundation trip was not made in vain, for it should be able to stimulate and promote practical exchange across the strait in the future.

During the discussion between the Straits Exchange Foundation and the State Council Taiwan Affairs Office, both sides said there is only one China, and both should eliminate antagonism through exchange, and work hard for reunification. This can be regarded as an unofficial consensus reached amid increasing exchange and the easing situation across the Taiwan Straits. Of course, it is far from being adequate to have only consensus with no common efforts. Aside from other things, from the angle of eliminating antagonism through exchange, there are many things which Taiwan can and should do, such as unconditionally allow mainland reporters to Taiwan. Thousands of Taiwan reporters have visited the mainland, and the mainland authorities have never asked them to state their party affiliation; now Taiwan has stopped the "mobilization for quelling the communist rebellion," but Taiwan still asks mainland visitors to declare whether they are CPC members, using discriminatory regulations to prevent mainland reporters from going to Taiwan. This narrow-minded measure is a satire on the freedom and openness boasted about by the Taiwan authorities, and is ridiculed by the world. The fact that this measure remains unchanged precisely indicates the antagonism toward the mainland among Taiwan's decisionmakers. You have seen Taiwan's "president of the Executive Yuan" recently announce repeatedly that the "anticommunist national strategy" cannot change. What does that mean?

Therefore, to admit that there is one China, and to eliminate antagonism through exchange to eventually achieve reunification, both sides of the strait are required to make earnest efforts. The government departments, with which the Straits Exchange Foundation has contacts, all hope that the Straits Exchange Foundation can make contributions to promoting the three links [san tong 0005 6639]. It is because, along with the increasing exchanges across the strait, and in particular when millions of Taiwan compatriots come to the mainland each year, investing billions of yuan, various kinds of actual problems will inevitably occur, and some problems arise simply because of the prohibition of direct interaction across the strait. If all these problems are lumped for a single organization to handle, so as to avoid official contact, it is not helpful to a quick and reasonable solution of the problems and, objectively, the separated condition across the strait will perpetuate. Certainly, three direct links cannot be materialized in one night, but it is not as difficult as going to heaven. The mainland side has repeatedly expressed that it has no difficulty in materializing three direct links on its side, and that it has prepared for it. But the Taiwan side has always

used various unconvincing excuses to oppose three direct links. At present, the Straits Exchange Foundation has had contacts with the departments concerned on the mainland, and has understood the mainland's attitude concerning the request for three direct links, should the Taiwan side have some "well-meaning response?"

What is noteworthy is that, recently, several influential members of Taiwan's "national unification committee" suggested that the Kuomintang [KMT] open a bipartisan discussion with the CPC. Although this correct idea has not been accepted, from it we can see that the call for dialogue between the two parties has echoed on the island, and even the knowledgeable persons within the "national unification committee," which is presided over by Lee Teng-hui, also agreed with the idea; therefore, we can see that the Taiwan authorities will find it more difficult to delay and avoid KMT-CPC talks using methods such as the "theory of stage" and "intermediary agency."

The main meaning of the Straits Exchange Foundation trip to the mainland is, concerning the affairs across the strait, so long as we can sit down and talk, problems can be gradually solved. A thousand-mile journey begins with the first step. Beginning with the talks at civil and semiofficial levels, senior officials from both sides will eventually sit down and hold talks, to materialize reunification of China through mutual efforts.

Concern Over 'Rampant' Independence Activities

HK1405112291 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 18, 6 May 91 p 21

[Article by Xu Zhongping (6079 6945 5493): "Resurgence of Rampant 'Taiwan Independence' Activities Causes Concern"]

[Text] Recently "Taiwan independence" forces in and outside Taiwan have been wriggling again, thereby escalating the wave of the "Taiwan independence" movement. Their activities have caused concern and worry.

Trend of "Taiwan Independence" Activities

They announced their "Taiwan independence" proposal at a "National Assembly" session. At a recent Taiwan "Legislative Branch" session, some "Legislative Branch" members from the Democratic Progress Party [DPP] and "Executive Branch President" Hao Po-tsun conducted what they called a "great debate over unification or independence." Taking advantage of the "exemption from responsibility" for speeches at the "National Assembly," they wantonly proposed that "only by taking the road of Taiwan independence, can Taiwan have a way out for its existence."

"Taiwan independence" organizations are stepping up their efforts for cooperation. "Taiwan independence" elements think the "Taiwan independence" movement has entered a new stage, whereas DPP resolutions as well as what it has said and done indicate that it is taking the road of "Taiwan independence." Therefore, "Taiwan

independence" organizations are stepping up their efforts for cooperation to turn the "DPP into a spark plug for the Taiwan independence movement." On 16 and 17 March, more than a dozen organizations including the "New Trend Bloc," the "New National Assembly Office," the "New State Alliance," the "Plebiscite Promotion Association," the "Taiwan Professors' Association," and the "Taiwan International Relations Foundation" held a second meeting in Taichung City to exchange views. They reached a four-point "consensus:" 1) The opposition movement is targeted at structural transformation; "the structure under Kuomintang rule must be thoroughly transformed... to cope with Taiwan's needs." 2) It is necessary to formulate "a new constitution which gives prominence to sovereignty; land, civilians, the government, and the National Assembly are all within the framework of Taiwan sovereignty." 3) In the present stage, all means must be employed to disseminate "Taiwan's independent sovereignty." 4) A "liaison and coordinating center" should be established for these "Taiwan independence" organizations, and preparations should be made for a third exchange-view meeting at the end of May.

While these pro-independence organizations are stepping up their efforts to cooperate, "Taiwan independence" forces in and outside Taiwan are also active in forming collaboration. On 30 and 31 March, "Taiwan independence" forces held the first "fellow villagers' candid talk" in Manila. Chiefs of pro-independence organizations from Taiwan and heads of "Taiwan independence" forces from the United States and Japan, totaling some 30 people, attended this meeting. At the meeting they signed the so-called "Manila communique" clarifying their "consensus" as follows: The "formulation of a new constitution" should be aimed at "Taiwan independence;" the Taiwan people should be made to understand the national building target set by the "new constitution;" during this year-end election, the concept of "new state and new constitution" should be given publicity; pro-independence activists in and outside Taiwan should support each other in developing DPP influence abroad and encouraging the "Taiwan Independence Alliance" to return to Taiwan for development.

Some academics openly set up "Taiwan independence" organizations and carry out "Taiwan independence" activities. In December last year, some professors on the island who agreed with "Taiwan independent sovereignty" formed the "Taiwan Professors' Association" to openly engage in Taiwan independence" activities. In March this year, they held a "seminar on Taiwan's future" in Kaohsiung, during which they propagated "independence is the only way out."

The "Taiwan Independent Sovereignty Movement Committee" has also started its activities. After its establishment in November last year, it openly and brazenly carried out "Taiwan independence" activities under the DPP's name and was therefore strongly criticized by public opinion in and outside Taiwan. It did not dare to conduct any activity at that time. But on 19 March this year, the committee held its first "work meeting" and

issued a statement opposing the two sides' reunification and asserting that "Taiwan is an independent political entity and Taiwan's future is not controlled by any political regime." It also decided to launch a mass "movement for formulating a new constitution" in May to create public opinion for "Taiwan independence."

All this indicates that "Taiwan independence" activities are proceeding with programs and in an organized way and that "Taiwan independence" elements are pushing the "Taiwan independence" movement to a new stage.

Social Background for Escalation of "Taiwan Independence" Wave

There are many reasons why "Taiwan independence" activities are so rampant.

First, these activities are closely connected with the Kuomintang authorities' connivance. In the past, the Kuomintang severely criticized "Taiwan independence" assertion either by organizations or individuals. Those who favored "Taiwan independence" were considered criminals. But today the authorities do not take resolute measures against the rampant activities of "Taiwan independence" elements, although an "Executive Branch" responsible person has time and again made it clear that "one China, one Taiwan will mean no future" and "Taiwan independence" will come to nothing. In the past, the "Taiwan independence" assertion was regarded as a crime, but now the authorities judge by one's action in deciding whether it is a criminal offense. Organizations which engage in competition for "public posts" by proposing "a new state, a new constitution, and a new national assembly" can do so at will. To make things still worse, the call for "Taiwan independence" has appeared in the Kuomintang. Some "Legislative Branch" members from the Kuomintang raised the proposal of "one Chinese nation, two Chinas." The "News Bureau chief" said on 25 March that "remarks on Taiwan independence are normal in Taiwan's diversified society, the government cannot completely suppress them." As a result of the Kuomintang authorities' connivance, "Taiwan independence" elements have become increasingly arrogant.

Second, the support of a small number of U.S. Congressmen is another important reason why the "Taiwan independence" movement has escalated. For a long time a few U.S. Congressmen have always supported the "democratic movement" of "overseas dissenters" (meaning "Taiwan independence" elements) while on the other hand using the human rights issue and "black-listed people overseas" to exact pressure on the Kuomintang authorities. Solarz, chairman of the Subcommittee for Asian and Pacific Affairs of the U.S. House of Representatives, has supported "overseas dissenters" at several Congress "hearings" since last year. With Solarz' help, "Taiwan independence" elements smoothly held a "candid talk" in Manila. Not long ago, some people holding important positions in the U.S. Government made "astonishing remarks" in supporting "Taiwan independence." According to Taiwan press reports, during their talks with the DPP Central Committee on 26

March, an electoral advisers group for the U.S. Democratic Party pointed out that U.S. Congress will support "Taiwan independence" as long as most people in Taiwan favor "Taiwan independence." Although only a few people in U.S. Congress support "Taiwan independence," what they say and do serves as an injection in the arm for the "Taiwan independence" movement. "Taiwan independence" elements have become even more fearless with these Americans' support.

Third, changes in the relations between the two sides of the strait have caused worry to "Taiwan independence" elements. Since October last year, because of the development of the two sides' relations, the Kuomintang authorities have formed these three organizations: The "State Unification Committee," the "Mainland Committee of the Executive Branch," and the "Straits Exchange Foundation." They also approved a "state unification program" in February this year. A series of moves taken by the Kuomintang have caused worry and concern among "Taiwan independence" elements and DPP members. They are worried that the Kuomintang might betray Taiwan.

Fourth, a second "National Assembly" election will be held at the end of this year, during which the DPP and "Taiwan independence" forces on one side and the Kuomintang on the other will engage in a crucial fight for control power over Taiwan's future. Therefore, the DPP and "Taiwan independence" forces on and outside the island are busy preparing for this election. To solicit as many voters as possible, they will launch a "concerted attack by converging columns" with a common aim of winning one-fourth of the seats or more during this year-end election. In this way, even if the DPP and "Taiwan independence" elements cannot have a "new constitution" formulated next year, they will at least change the Kuomintang's course in "revising the constitution" or force it to make bigger concessions when "revising the constitution."

Taiwan Compatriots Federation Elects New Council

OW1305203491 Beijing XINHUA Domestic Service in Chinese 1149 GMT 13 May 91

[Text] Beijing, 13 May (XINHUA)—The fourth national Taiwan compatriot representative conference held a plenary meeting today. The meeting adopted the revised "Constitution of the All-China Federation of Taiwan Compatriots," and elected the Fourth Council of the All-China Federation of Taiwan Compatriots.

The revised constitution stipulates: The purposes of the All-China Federation of Taiwan Compatriots are to hold aloft the banner of socialism and patriotism to unite and keep in touch with the Taiwan compatriots residing on the mainland; and under the banner of patriotic reunification, to comprehensively unite and keep in touch with the Taiwan compatriots in Taiwan, Hong Kong, Macao, and foreign countries; strengthen friendly bonds among fellow compatriots; work with one heart and one mind; actively promote the great unity of the whole nation; realize the peaceful reunification of Taiwan and the mainland under the principle of "one country, two systems;" and contribute to rejuvenating China; to building a prosperous, democratic, modern socialist country with a well-developed culture; and to promoting the well-being of Taiwan people.

The Fourth Council of the All-China Federation of Taiwan Compatriots elected at the meeting consists of 78 members, of whom 31 are newly elected additional members.

Shandong Congress of Taiwan Compatriots Held

SK1005042791 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 9 May 91

[Text] The fourth Shandong Provincial congress of Taiwan compatriots concluded in Jinan on 9 May. The congress elected the fourth council of the provincial Federation of Taiwan Compatriots. At the first session of the fourth council, (Gao Jinsong) was elected president of the council, and (Chen Gengrong) was invited to serve as honorary president.

Premier Addresses Matsu Islanders on Autonomy*OW1405084191 Taipei CNA in English 0816 GMT
14 May 91*

[Text] Taipei, May 14 (CNA)—Premier Hao Po-tsun told Matsu people over the weekend that the Civilian Government/Military Administration (CG/MA) on the off-shore islands will end, and that they should prepare themselves well for local autonomy in the future.

Hau led 17 cabinet members, including Atomic Energy Council Chairman Hsu Yi-yun, Mongolian and Tibetan Affairs Commission Chairman Wu Hua-peng, and Minister Without Portfolio Wu Poh-hsiung, on his first visit to the Matsu Islands since he assumed the premiership last June.

The entourage departed Saturday evening for Matsu, and returned to Taipei Monday afternoon.

Government Information Office Director General Shaw Yu-ming, a member of the Hau party, briefed the press about the cabinet's Matsu tour.

Shaw quoted Hao as telling the Matsu people of the necessity to retain martial law for the front-line area because it was within artillery range of communist China.

Hao also assured people there that when the CG/MA is ended, they will have to take over from the military the job of local construction and administration, Shaw said.

The GIO chief reported that Hao asked the people on Matsu to "cultivate the abilities to plan for construction projects, to pool financial sources for local construction, and to implement the projects."

Hao further told Matsu islanders that the government's declaration of an end to the period of communist rebellion does not mean a change in its one-China or anti-communist policy. "The only change is that from now on we will use peaceful means to unify China."

Shaw also reported that the Matsu people told Hao that they "all support the government's temporary martial law on Kinmen and Matsu," and Hao hoped their voices could be heard at Taipei's Legislative Yuan.

SEF Needs New Programs Before Second Visit*OW1405081691 Taipei CNA in English 0757 GMT
14 May 91*

[Text] Taipei, May 14 (CNA)—Vice Premier Shih Chi-yang told the private Straits Exchange Foundation (SEF) yesterday to plan for a second visit to mainland China only after it works out new programs.

The SEF leadership returned from a historic first "semi-official" visit to Peking earlier this month.

Shih, concurrently chairman of the cabinet Mainland Affairs Council (MAC), said SEF's first mainland visit

had achieved its goals of "establishing channels of communications" and "proposing solutions to urgent problems like piracy."

C.V. Chen, SEF secretary general, and other foundation leaders briefed MAC officials on their mainland visit.

MAC has commissioned SEF to handle civilian affairs related to public authorities that arise from exchanges between the two sides of the Taiwan Straits.

SEF Secretary General Reviews Mainland Trip*OW1205221791 Taipei CHUNG YANG
JIH PAO in Chinese 6 May 91 p 1*

[By Ho I-ching (0149 0001 3237), Mou Wen-min (3664 2429 2404) and Lin Shou-che (2651 1343 0772)]

[Text] Chen Charng-ven, secretary general of the Strait Exchange Foundation [SEF], and his party ended their visit to Peking and returned to Taipei on the evening of 4 May. He said that through the visit a channel of communication has been established across the strait and both sides have agreed to the principle that at present it is more preferable to maintain contacts in business matters.

Faced with the many cross-strait matters pending solution, Chen Charng-ven said: The SEF has planned constantly to send people to the mainland to provide the necessary services.

Ma Ying-jeou, spokesman of the Executive Yuan's Mainland Affairs Council, Kao Kung-lien, vice chairman of the council, Hsu Sheng-fa, vice chairman of the board of the SEF, and related officials of the Mainland Affairs Council, greeted Chen Charng-ven and his party at the airport.

After stepping out of the airplane, Chen Charng-ven, in a relaxed manner, soon began to accept questions by large numbers of reporters. Then he came to the arrivals lobby, and showed self-confidence in answering the reporters' questions, without any sign of fatigue.

Chen Charng-ven first explained the task of the current trip to Peking. He said that to promote nongovernmental exchanges across the strait, the SEF needs to establish a channel of communication with the authorities in charge on the mainland. During the current trip to the mainland, he visited many ministries and commissions. Under the arrangement of the "Taiwan Affairs Office of the State Council," the SEF briefed them on what it is doing and expressed the hope that they (the mainland side) will support the tasks represented by the SEF, namely, to expand exchanges, deepen understanding, and eliminate hostilities through mutual benefit in the course of nongovernmental exchanges across the strait at present.

Chen Charng-ven said: As far as the mainland is concerned, the responses received by the SEF are not bad. The mainland expressed the willingness to coordinate efforts with the SEF and expressed respect for the tasks of the SEF. The

mainland side also agreed that there should be only one China and that China belongs to all Chinese.

In handling all related problems in the future, Chen Charng-ven said that the SEF will contact the mainland's judicial departments when judicial matters are involved. A copy will be submitted to the Taiwan Affairs Office of the Chinese Communist State Council. Other matters like education will also be handled in a similar manner accordingly.

As regards the tasks of the current trip, Chen Charng-ven said he considered the tasks fulfilled, but added that repeated efforts will be required to handle the many details in the future. In view of the complicated nature of the relations between the two sides of the strait, it is not enough simply to rely on the SEF, the Mainland Affairs Council and the National Unification Council. Genuine support from all Chinese at home and on the mainland is required. Chen Charng-ven said: In this way, "we will have a greater chance of success."

The following is Chen Charng-ven's question-and-answer session with the reporters at the airport:

[Question] In the future, will the SEF continue to make regular visits to the mainland?

[Answer] I think the task of the SEF is to provide services. Therefore, we at the SEF have the plan to make regular visits to the mainland. This is certain. The mainland side also has constantly asked when they can come over. In this connection, we also have briefed the authorities in charge and the mass media in the mainland on our current laws, the question of entry by communist party members, the process of examining the regulations on the relations across the strait, and possible progress in the future. When mainland personages are also allowed to come to Taiwan, I think we will also provide services for them.

There Are Inevitably Some Differences Created Either Deliberately or Unconsciously

[Question] Was there anything not so desirable on this trip?

[Answer] I would not say the words "not so desirable" because the SEF's job is to provide good service under the condition of the very difficult and complicated relations between the two sides. Of course, there were unsatisfactory or not so desirable aspects. This is what we have expected. With regard to the relations between the two sides, the most important task at present is to establish the communications channel to understand each other. Yet there are inevitably some differences created either deliberately or unconsciously.

[Question] What are the differences to be eliminated?

[Answer] There are not many differences. The question is merely that sometimes their main points are not quite the same as ours. When the main points held by the two sides do not coincide, they should be set aside and should not be discussed. When an issue is considered to

be a main point by both sides, it is where their positions coincide. Our work should start from there.

[Question] With regard to the question of pirate boats, what results did you achieved on this trip?

[Answer] We gained an initial understanding of this matter. The Chinese Communists said that they had cracked down on 10 such cases and arrested 15 people, and that they would take measures to strengthen control over vessels. Of course, they hope to discuss specific ways to prevent this or the arrest procedures with our competent authorities or units designated by our competent authorities, such as the SEF. This may be considered a result of our communications.

[Question] Are you satisfied with the trip?

[Answer] The trip did not involve the question of satisfaction or dissatisfaction. The only question is whether we fulfilled our tasks. Anyway we did our best. That is all we can say.

[Question] What is your opinion about the different remarks made by Tang Shu-pei [Tang Shubei] and Wu Hsueh-chien [Wu Xueqian] in defining the status of Taiwan and China?

[Answer] The SEF is not involved in such questions as how the status is defined. Certainly, only under the condition of no official contacts, is it necessary for the SEF to exist. The SEF will be very happy if it can fulfill its mission at an early date. Mr. Wang Chao-kuo [Wang Zhaoguo], Mr. Tang Shu-pei, and Mr. Wu Hsueh-chien all touched on the issue that both Taiwan and the mainland belong to China. Both Mr. Tang and Mr. Wang said unequivocally that Taiwan and the mainland are both inalienable parts of China. Today (4 May) I mentioned this to Mr. Wu Hsueh-chien in particular. I said that if this is certainly the case; I think it is a very good thing. When they raised this question during my visit to the mainland, I kept saying that Taiwan is part of the mainland just as the mainland is part of Taiwan, and that Taiwan is part of China, and so is the mainland. I also said that only by putting Taiwan and the mainland together can we understand the map of China. Neither can be dispensed with. This is a very simple matter.

I said there should be no (such allegation that) [parentheses as published] Taiwan is part of China. It implies that ours is a local government. This is unnecessary rhetoric. As for what was really meant (by the remarks of Tang Shu-pei and Wang Chao-kuo) [parentheses as published], we will make further observations. As a matter of fact, this is not the SEF's primary task. We just happened to hear the question when we were there.

[Question] The Chinese Communists have said that in a couple of days they will respond to our termination of the mobilization period for suppression of the communist rebellion. What are your comments on this?

[Answer] I know nothing about this. I only heard Mr. Wu Hsueh-chien say that they would give some response to

President Li Teng-hui's declaration on the termination of the mobilization period for suppression of the communist rebellion. I think it will be a response with good intentions.

[Question] As you have just said, the communications channel has been established. Now, communications will be conducted through the Taiwan Affairs Office of the State Council, and they will not establish the so-called "Dr. Sun Yat-sen's Foundation." Is that so?

[Answer] As I heard from them, they have never thought of setting up a "Dr. Sun Yat-sen's Foundation."

[Question] Did you invite personnel of the departments concerned on their side to visit Taiwan?

[Answer] When we talked about "reciprocity," I explained how our law is changed, under what conditions our law would be revised, and under what circumstances communists could enter Taiwan. When I explained these questions to them, of course, I said politely: "I hope that as soon as conditions permit, I will see you again"

The Mainland Is Willing To Cooperate With SEF

[Question] Has the mainland decided which unit on its side is our counterpart? We have all along stressed that our sole "unit" is the SEF. Other units ... [elipses as published]

[Answer] As I understand it, I think you can view this matter in two perspectives: One is whether the mainland wants to dwarf the SEF. Personally, I think this is unnecessary and also impossible. They should be very clear about the role played by the SEF. From what they are doing, I would rather believe that they have no such intention because they are rather respectful toward us. In another perspective, that is, from the viewpoint of the competent authorities on the mainland, they are willing to cooperate with all people's organizations promoting exchanges between the two sides of the strait. In this regard, we cannot criticize them. No matter what these organizations are, as long as they wish to cooperate with these organizations, we should not criticize them. Some of the organizations may readily accommodate the Chinese Communists' view; others may not. All in all, this is their business. To us, I do not think our SEF feels uncomfortable about their so-called "fifth principle." The important point is that our government entrusts all matters concerning citizens' rights and exchanges across the strait to the SEF. This is necessary from the viewpoint of policy and law.

We Have Done Something After All

[Question] The SEF's main task is to deal with pragmatic matters, while the mainland constantly has put forward questions of policy and principle as subjects on which they want to communicate with us. In the process of communications, did you feel embarrassed? How was the atmosphere of the communications?

[Answer] I think that the atmosphere of the communications was not as simple as we had expected. We are a

pragmatic work organization. What we wanted to do was to establish a communications channel for attesting documents, arranging travel, and other actions. At the same time, we hoped to reach an initial understanding on how to carry out these functions. On the other hand, the Chinese mainland, of course, hoped to raise such issues as the three links [mail, transport, and trade links]. With regard to this, we unequivocally told the mainland authorities that, because of its mission and functions, the SEF, in fact, has no authority to discuss policy questions with them. However, after they put forward such questions, we at least gave them some explanations of our government's current policies, laws, and decrees whenever it was appropriate for us to do so. When they raised a question, we, as guests, sat there and listened, giving some explanations when necessary. Basically, whether and how the policies should be revised is not our business. Our work was to discuss pragmatic affairs.

In addition to the establishment of the communications channel, we obtained answers on some specific cases. An example was the question of detaining a crew member of fishing boat Chinchingshun-76 as a hostage. Two days before our departure, they told us that "the question was resolved." Things like this are merely trifles, but they do reflect the diversity of the questions that may arise in the course of people-to-people exchange between the two sides of the strait.

I feel we have at least made contacts. Because we have obtained answers about some pragmatic matters, we can say that "we have done something after all."

Mainland Investment Not To Be Banned

*OW1105113191 Taipei CNA in English 0920 GMT
11 May 91*

[Text] Taipei, May 11 (CNA)—The government will not prevent Taiwan businessmen from investing in Mainland China export production, Economic Affairs Minister Vincent Siew said today.

Many European, American and Japanese companies have invested in mainland capital- and technology-intensive industries, but few have succeeded, Siew reported. One major reason behind their failures is that those firms had set their eyes on mainland markets, he observed.

Hong Kong businessmen, Siew said, regard Mainland China as an export processing zone and they use low-cost labor there to manufacture goods for export to other countries around the world. The Hong Kong approach has proved successful, he added.

The minister said the government "need not" and "can not" ban local businessmen from making Hong Kong-style investments on the mainland since the capital committed to such export-processing projects is usually limited.

According to official tallies, 2,503 Taiwan companies have invested on the mainland, for a total of 750 million U.S. dollars. Siew said the actual amount may be less than

the official figure because many businessmen shipped used production equipment to the mainland.

The Hong Kong-based magazine CHENG MING said in its latest issue that Taiwan-invested mainland ventures are barely profitable.

The monthly quoted Chen Chi-pei, vice president of the Taiwan Chamber of Commerce in the mainland as reporting that 70 to 80 percent of Taiwan-invested businesses in Fujian are losing money, and more than 60 percent in Guangdong are in the red.

Although land and labor costs are relatively low in the mainland, Chen said, administrative charges, including company licence fees, power rates and personnel scouting fees, are unreasonably high.

Taiwan companies are often required to donate charity, health and social welfare funds to local mainland authorities, Chen complained. As corruption is rampant on the mainland, he said, Taiwan businessmen have spent a lot of money to bribe mainland officials.

Low labor productivity, unstable product quality and frequent delays in delivery have also dearly cost Taiwan businessmen, Chen added.

Economic Council Responds to Mainland Investments

Concern Over Market Reliance

OW0905092891 Taipei CNA in English 0821 GMT
9 May 91

[Text] Taipei, May 9 (CNA)—Economics officials are concerned about the rapid growth of Taiwan-Hong Kong trade and will study whether the export boom is related to a dramatic increase in entrepot trade between the two sides of the Taiwan Straits.

Republic of China [ROC] exports grew 10.3 percent in the first quarter of this year, but, if the Hong Kong market is excluded, the growth rate is a mere 5 percent, the Council for Economic Planning and Development [CEPD] reported.

ROC shipments to Hong Kong have been growing at a fast pace since the second half of 1990. The Hong Kong share of ROC exports surged to 14.9 percent in the January-April period, compared to 1990's 12.7 percent average. In April alone, the percentage jumped to an all-time high of 17 percent.

Exports to Hong Kong grew 44.8 percent to 3.35 billion U.S. dollars in the first four months of 1991, surpassing the ROC's total exports of 3.2 billion U.S. dollars to that area in 1990, and its trade surplus with Hong Kong also increased to 2.72 billion U.S. dollars, more than that with the United States, the largest market for ROC export for years, CEPD said.

CEPD officials worry that the growth in Hong Kong-bound exports may signify Taiwan's increasing dependence on mainland markets since the British colony is a transshipment center for cross-straits entrepot trade.

ROC exports declined 1.4 percent in April from a year before, but, if the gain in Hong Kong-bound exports is excluded, Taiwan's overseas sales dropped more than 5 percent during the month.

CEPD attributed April export slowdown in part to sluggish world economy and long holidays in the month. April exports also reflected few orders received in January and February when the Gulf war was going on.

CEPD also pointed to silver linings in a couple of otherwise listless April performance clouds. A pleasant surprise was a 20.1 percent growth in machinery imports which may signal a return of domestic investment willingness.

Warning on Hi-Tech Investments

OW0905232091 Taipei CHINA POST in English
6 May 91 p 6

[Text] The Council for Economic Planning and Development (CEPD) yesterday issued a warning over the gradual shifting from labor-intensive to high-tech industries by Taiwan firms investing on the mainland.

Other changes observed by the CEPD include Taiwan investors have expanded their investment scale and have chosen to develop longer-term projects than before.

Geographically, investment is spreading from southeastern mainland cities to western and northern China, CEPD added.

So far, Taiwan investors have invested on 1,500 items, second only to Hongkong.

The items drawing Taiwan investments last year amounted to 800 with investment value under negotiation exceeding US\$700 million.

Statistics showed imports of mainland raw materials to have increased markedly in 1990, according to the CEPD.

Taiwan Institute for Economic Research Reports

Growth in Mainland Trade

OW1005101691 Taipei CNA in English 0812 GMT
10 May 91

[Text] Taipei, May 10 (CNA)—Entrepot trade between Taiwan and the mainland has grown by leaps and bounds over the past decade and the share of mainland markets in Taiwan's overall foreign trade may soon break an alarming 10-percent level, a government-funded economic think tank reported yesterday.

The Taiwan Institute for Economic Research (TIER) said that entrepot Taiwan-mainland trade has zoomed up 12-fold during the past 10 years, and the share of mainland-bound sales has risen to 5 percent of total exports.

TIER quoted Hong Kong customs statistics as reporting that cross-strait commercial exchanges ballooned to 4.04 billion U.S. dollars in 1990 from 1980's 310 million U.S. dollars.

Of the 1990 trade amount, Taiwan shipments to the mainland accounted for 3.27 billion U.S. dollars, a 13-fold increase over the 1980 level; while imports climbed 9-fold to 760 million U.S. dollars.

Although the growth in mainland-bound sales declined to 16.08 percent in 1990 from 1988's 79.54 percent and 1989's 28.02 percent, it was still higher than the gain in Taiwan's overall exports for the year.

Mainland-bound shipments made up 4.88 percent of total Taiwan exports in 1990, compared to 1.19 percent in 1980; while imports from the mainland accounted for 1.39 percent of the total, up from 0.39 percent a decade ago.

Taiwan absorbed 1.23 percent of overall mainland exports last year, while its share of total mainland imports jumped to 6.14 percent.

TIER also reported that 2,857 Taiwan companies have invested in Mainland China, with an actual cumulative investment estimated at 2 billion U.S. dollars. Both figures were higher than Ministry of Economic Affairs tallies.

TIER's statistics were based on reports carried in the Communist Chinese PEOPLE'S DAILY over the past year, researchers said.

Seventy percent of Taiwan-invested ventures are located in Guangdong and Fujian, while the remaining 30 percent are scattered through a wide range of mainland provinces including Jiangsu, Shandong, Anhui, Beijing, and Zhejiang.

Taiwan investors operate a variety of businesses on the mainland, ranging from eel raising, lumber processing and shoemaking to ready-to-wear clothing, chemicals and electrics, according to the TIER report.

In view of the growing Taiwan-mainland trade, the Board of Foreign Trade has decided to monitor the country's foreign trade structure, officials said. The board may set a safety ceiling on mainland market shares at 10 percent.

Increasing Dependence Feared

*OW1305110691 Taipei CNA in English 0833 GMT
13 May 91*

[Text] Taipei, May 13 (CNA)—Taiwan's trade dependency on Mainland China has grown to an alarming level, as indirect trade is increasing and economic relations between the two sides of the Taiwan Straits become closer and closer, a private think tank warned today.

Taiwan Institute for Economic Research, headed by economist Liu Tai-ying, said indirect Taiwan-mainland trade amounted to 310 million U.S. dlrs or 0.75 percent of gross national product in 1980; the figure grew to 4.04 billion U.S. dlrs or 2.5 percent of GNP in 1990.

Analyzing changes in cross-straits trade and economic ties, the institute said that Taiwan exported 230 million-U.S. dollar worth of goods to the mainland in 1980, accounting for 1.19 percent of its total exports. In 1990, the figure increased to 3.28 billion U.S. dlrs or 4.88 percent of the aggregate export.

Taiwan's imports from the mainland, meanwhile, grew from 76 million U.S. dlrs or 0.39 percent of total imports to 770 million U.S. dlrs or 1.39 percent of total imports.

The institute said the Republic of China's trade dependency on the mainland was 2.5 percent, while the mainland's on Taiwan was 1.1 percent, last year. Taiwan's "relative dependency" is clearly higher than the mainland's.

The institute noted that Taiwan has always depended on exports for its economic growth. Growing dependency on trade with the mainland will certainly affect Taiwan's "economic security," it said.

These figures also indicate a growing trend in the "horizontal division of labor" between the mainland and Taiwan, the institute pointed out.

It suggested that the government allow more mainland products to be imported to cope with the problem. Industry should, in the mean time, diversify export markets and increase their products, it said.

Investments Expected To Rise

*OW1405094091 Taipei CNA in English 0759 GMT
14 May 91*

[Text] Taipei, May 14 (CNA)—About 3,000 Taiwan companies have invested a total of 2 billion U.S. dollars in mainland China, and the figure could double if projects currently being negotiated are included, a private think tank said.

The Taiwan Institute for Economic Research said Taiwan investment accounts for one-tenth of all foreign investment in communist China.

The institute noted that Taiwan tops all other countries or areas in the increase of mainland investment in recent years.

Some 70 percent of Taiwan's mainland investment is concentrated in coastal Fujian and Guangdong provinces, though mainland China hopes that more foreign investments will move to inland areas, the institute said.

Editorial on Shift in Policy Toward Mainland

OW1005002591 Taipei CHINA POST in English
5 May 91 p 2

[Editorial: "Political Harmony More Important Than Ever"]

[Text] The termination of the Period of Mobilization for Suppressing the Communist Rebellion on May 1 has brought the political situation here into a new phase. The action marked a drastic readjustment of Taipei's policy toward the communist mainland. The communist regime is no longer regarded as a rebel group.

Internally, the end of the mobilization period is a concrete step toward the full implementation of the Republic of China [ROC] Constitution. This is quickening the pace of democratization of Taiwan society.

The consequences of the historic move are difficult to predict. Optimists believe that the end of the mobilization period will accelerate the process of national reunification. Pessimists, on the other hand, fear it could exacerbate political turmoil on Taiwan and thus lead to a major increase in tension and chaos.

Whether these predictions will come true remains to be seen. It is important to point out, however, that the future of the people of Taiwan depends on the people's efforts to create here a harmonious and orderly society. Unless we have such a society, we can only look forward to a bleak future.

The ROC Government and the Peking regime on the mainland are both determined to promote the reunification of China, but how this goal is to be attained is the chief bone of contention between the two sides of the Taiwan Strait.

Taipei wants to reunify the country "under the banner of freedom, democracy, and equitable distribution of wealth." The Chinese Communist authorities still cling to the idea that a system based on Marxism is best for China. The disagreement is blocking the way to reunification.

Taipei's decision to stop regarding Peking as a rebel group is meant as a friendly gesture, a display of sincerity in improving relations with the mainland. President Li Teng-hui has urged the mainland authorities to make a positive response to this show of goodwill.

So far, however, Peking has not made such a response. It may never do so. As long as they remain communist, it is doubtful whether the mainland authorities will ever assume a really positive stance toward Taiwan.

Taiwan, therefore should not entertain any unrealistic thinking about the mainland authorities. It is dangerous to assume that, just because our side has graciously offered to make peace, the other side will reciprocate earnestly and sincerely.

Knowing this, President Li has urged the people to be alert and vigilant. Survival is still the top priority for

Taiwan, but survival can only be assured if the people here realize the danger, remain united and strive to maintain peace and order.

The ongoing political confrontation between the ruling Kuomintang and the opposition Democratic Progressive Party is a threat to public order. It is unfavorable to Taiwan's long-term development. Moreover, it threatens to weaken the island's defense.

China's reunification will not come about in the near future because the two sides of the Taiwan Strait are still too far apart in their views of the China of the future. The hope for reunification lies in both sides trying to compromise and settle their differences. This takes time.

Until reunification becomes a reality, Taiwan must continue to endeavor to survive. Only by surviving can we convince the mainland to abandon communism. Taiwan's survival depends, first and foremost, on internal unity and harmony.

Viewed from this perspective, the growing political discord in our society is a worrisome trend. Frequent scuffles in legislative organizations and irrational behavior by some oppositionists are both signs of increasing chaos, which make our future seem uncertain.

As we go down the path to democracy, we must be careful to make sure that our society remains harmonious and orderly. Only if harmony and order prevail can we keep moving forward safely and steadily.

The government should live up to its duty to preserve order and harmony, which is now the hope of the majority of the people. Our leaders must not disappoint the people.

Editorials Examine Mainland-U.S. Ties

Kimmitt Visit

OW0305165091 Taipei CNA in English 1548 GMT
3 May 91

["Mr. Kimmitt Goes to Peking"—CNA headline]

[Text] Taipei, May 3 (CNA)—The following is the editorial of Friday's EXPRESS NEWS, a daily newspaper published by the CENTRAL NEWS AGENCY.

Robert Kimmitt, U.S. undersecretary of state for political affairs, will arrive in Peking next Sunday for two days of meetings with Peking officials. He will be the highest-ranking U.S. official to pay a formal visit to the Chinese mainland since the Tiananmen Square massacre almost two years ago. But far from signaling a return to normal in the relationship between Washington and Peking, Kimmitt may bring with him a warning to Peking of the possibility of a reversal in the relationship unless Peking changes its policies on human rights and various other issues.

The State Department, in what diplomats would call a "frank" statement, said Kimmitt would raise with the Peking officials U.S. concerns over human rights, arms proliferation, and trade issues. This statement, in fact, capsulized almost all the complaints that have been voiced in the U.S. Congress against Communist China and may be used by the Congress as reasons to reject renewal of the Most-Favored-Nation trade status for Communist China this year.

U.S. Congress criticism of Peking's human rights abuses have been consistent since the spring of 1989. The latest demonstration of the Congress position on this issue was the warm welcome given the Dalai Lama of Tibet at the Capitol Rotunda. A resolution expressing U.S. concern over the human rights violations on the Chinese mainland has passed the Senate Foreign Relations Committee, and would have been adopted by the Senate earlier this month but for opposition from the Senate Minority Leader Robert Dole on procedural ground.

Attention has also been drawn to the use of forced labor by Communist China to produce goods for export to the United States, in violation of U.S. law. In addition, there have been charges against Peking's lack of protection of intellectual property rights and unfair trade practices that are regarded as barriers to U.S. access to the mainland market.

Then there is Peking's role in the proliferation of high-technology weapons systems in the Third World. Although the Peking regime has promised to the U.S. to exercise prudence in its arms exports, the United States has found evidence of its sales of ballistic missiles to Pakistan and Syria and nuclear technology to Algeria, all in violation of its promises. Since weapons non-proliferation is a high priority foreign policy objective of the Bush Administration in the wake of the Persian Gulf war, Peking's arms export policy is a matter of major concern to both the U.S. Congress and the Administration.

Last year, President Bush successfully used political maneuvers to withstand congressional opposition to MFN renewal for Red China. This year, the joint forces of human rights advocates, free traders and arms non-proliferationists in the U.S. Congress may be too strong for President Bush to outmaneuver again. This undoubtedly will be the message from Kimmitt to Peking officials next week. Peking may warn that denial of MFN will seriously damage the Washington-Peking relationship. But if the Kimmitt visit could not convince Peking to change its policies, the responsibility of any reversal of the relationship will lie with Peking, not Washington.

MFN Extension

OW0405174991 Taipei CNA in English 1558 GMT
4 May 91

[Text] Taipei, May 4 (CNA)—The following is the editorial of Saturday's EXPRESS NEWS, a daily newspaper published by the CENTRAL NEWS AGENCY.

Debate has begun in Washington on whether the United States should extend the most-favored-nation [MFN] trade status to Red China for another year. Bills have been introduced in the U.S. Congress to either deny outright the trade benefits to Red China, or to attach conditions to them.

The debate, of course, stems from U.S. concerns about the human rights situation on the Chinese mainland, and evolves around the question what the United States can do to promote human rights and democratic progress on the Chinese mainland. Some believe the only way the U.S. could send a message to the Peking regime about its concern for human rights on the Chinese mainland is to deny MFN for Red Chinese exports to the United States; while others believe the U.S. should place conditions on MFN so as to use MFN as a leverage to force the Peking regime to change its human rights policies. Most members in the U.S. Congress subscribe to either of the two views.

But the Bush administration takes another position, believing the U.S. should maintain trade and other exchanges with Red China as a way to keep the mainland's door open to Western influence, and thus eventually achieve the goal of promoting reforms and progress toward democracy on the Chinese mainland.

Last year, when the Bush administration decided to renew MFN for Red China, it used as one of the arguments the potential economic loss to the United States if MFN to Red China should be denied. This economic consideration has been hardly mentioned in this year's debate so far, indicating the higher priority given by the American people to human rights on the mainland.

While our government has rightly chosen to stay away from the debate in the United States (because we want the United States to pursue its relations with U.S. and its relations with the mainland on separate tracks), still any Chinese who is concerned about the future of China should follow this debate with great interest. As economic exchanges between Taiwan and the mainland keep growing, we should also debate among ourselves the question whether human rights on the Chinese mainland should be taken into consideration in our trade with the mainland. After all, if the American people are willing to suffer economic losses for the cause of freedom and democracy on the Chinese mainland, it would be a shame for us to do anything less.

Dalai Lama Supports 'Free,' 'Democratic' Taiwan

OW0305145391 Taipei CNA in English 0831
GMT 3 May 91

[Text] Taipei, May 3 (CNA)—A ranking official said Thursday that Tibet's spiritual leader the Dalai Lama hopes very much to visit "free and democratic" Taiwan.

But the Dalai Lama must consider the fact that Tibet is still under Chinese Communist control, Chairman Wu Hua-peng of the Mongolian and Tibetan Affairs Commission said.

Wu told the Legislative Yuan that the Tibetan leader hopes he can visit Taiwan after visiting mainland China. Therefore, his visit here "may have to be waited for some time," Wu added.

Fielding questions from a legislative committee, Wu said the government's policy is to help Tibetans win greater human rights.

The commission will never support Tibet's independence, "a position which we will never change," he stressed.

A Tibet-elected lawmaker observed that the opposition Democratic Progressive Party had tried to invite the Dalai Lama to visit Taiwan.

Wu replied that he would recommend Kuomintang Chairman Li Teng-hui to invite the Dalai Lama for a visit here.

In his report to the Legislative Yuan, Wu also said his commission has never budgeted funds for "work related

to Outer Mongolia," which became an independent Communist republic in 1924 but over which the government of the Republic of China still claims sovereignty.

The government policy toward Mongolia focuses on overseas Mongolians, Inner Mongolians and "Mongolian compatriots in Taiwan," he noted.

Wu said all Mongolians, be they Outer Mongolians or Inner Mongolians, are considered "our compatriots," and his commission still regards Outer Mongolia as part of the Republic of China.

Government Spokesman Shaw Yu-ming said it is still too early to say whether Wu's commission will be phased out, though calls for its disbanding are rising after President Li Teng-hui in his April 30 conference stated that Ulaanbaator has in effect been "independent" for years.

"The Executive Yuan is studying the question," Shaw told the press after attending a yuan meeting.

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